

Cholson the Golfer
A judge dismissed a lawsuit filed by a golfer who accused a woman of cheating on him. The golfer, Robert Blank, 34, of North Hollywood, had filed the suit after his wife, Susan, had left him. The judge ruled that the golfer had not provided enough evidence to prove his case.

and Newman will receive
The summer camp for children with cancer was held in a beautiful setting. The camp was organized by the American Cancer Society and was attended by many children and their families. The camp was a great success and the children had a wonderful time.

ie pop artist Ron Unis
Ron Unis, a pop artist, was featured in a new album. The album was released by a major record label and was well-received by fans. Ron Unis is a talented musician and his new album is a testament to his skills.

g star Michael Biehn
Michael Biehn, a star of the movie "Predator," was featured in a new movie. The movie was released by a major studio and was well-received by fans. Michael Biehn is a talented actor and his new movie is a testament to his skills.

1997, the year of the
The year 1997 was a year of many firsts. It was the first time that a woman was elected president of the United States. It was the first time that a gay man was elected mayor of a major city. It was the first time that a woman was elected governor of a major state.

INTERNATIONAL CLASSIFIED
This section contains classified information from various international sources. It includes news stories, press releases, and other information that is not available to the general public.

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Concerned, Germans Join The Drive To Lift Dollar

Sudden Rise of Mark Is Regarded as Threat To Economic Recovery

By Brandon Mitchener
International Herald Tribune

FRANKFURT — Worried that the Deutsche mark's recent appreciation could slow Germany's economic recovery, the Bundesbank supported the Federal Reserve and other central banks on Wednesday in concerted intervention to support the dollar.

The U.S. currency, which had fallen to around 1.6350 Deutsche marks after several days of weakness, jumped nearly 3 pfennig after the intervention, to 1.6626 marks, before slipping back in New York to 1.6545 DM.

The dollar closed in New York at 101.845 yen, up from 101 yen on Tuesday, which was just above the U.S. currency's postwar low of 100.35 yen.

Hans Tietmeyer, president of the German central bank, had told bankers in Bonn earlier that the mark's "excessive appreciation" against the dollar "wasn't in Germany's interest."

Another Bundesbank board member described the mark's rise as "threatening."

The U.S. treasury secretary, Lloyd Bentsen, speaking in Washington, said the Clinton administration was also fed up with the dollar's weakness, which had persisted despite repeated warnings.

"This administration sees no advantage in an undervalued currency," Mr. Bentsen said. "The monetary authorities of the major countries are joining this morning in concerted intervention. These operations reflect our view that recent movements in exchange markets have gone beyond what is justified by economic fundamentals."

The action on the dollar's behalf Wednesday was begun by the Fed, which was then joined by the Bundesbank and other central banks, including the Bank of Japan, in what central bank sources described as the largest concerted intervention since the summer of 1992.

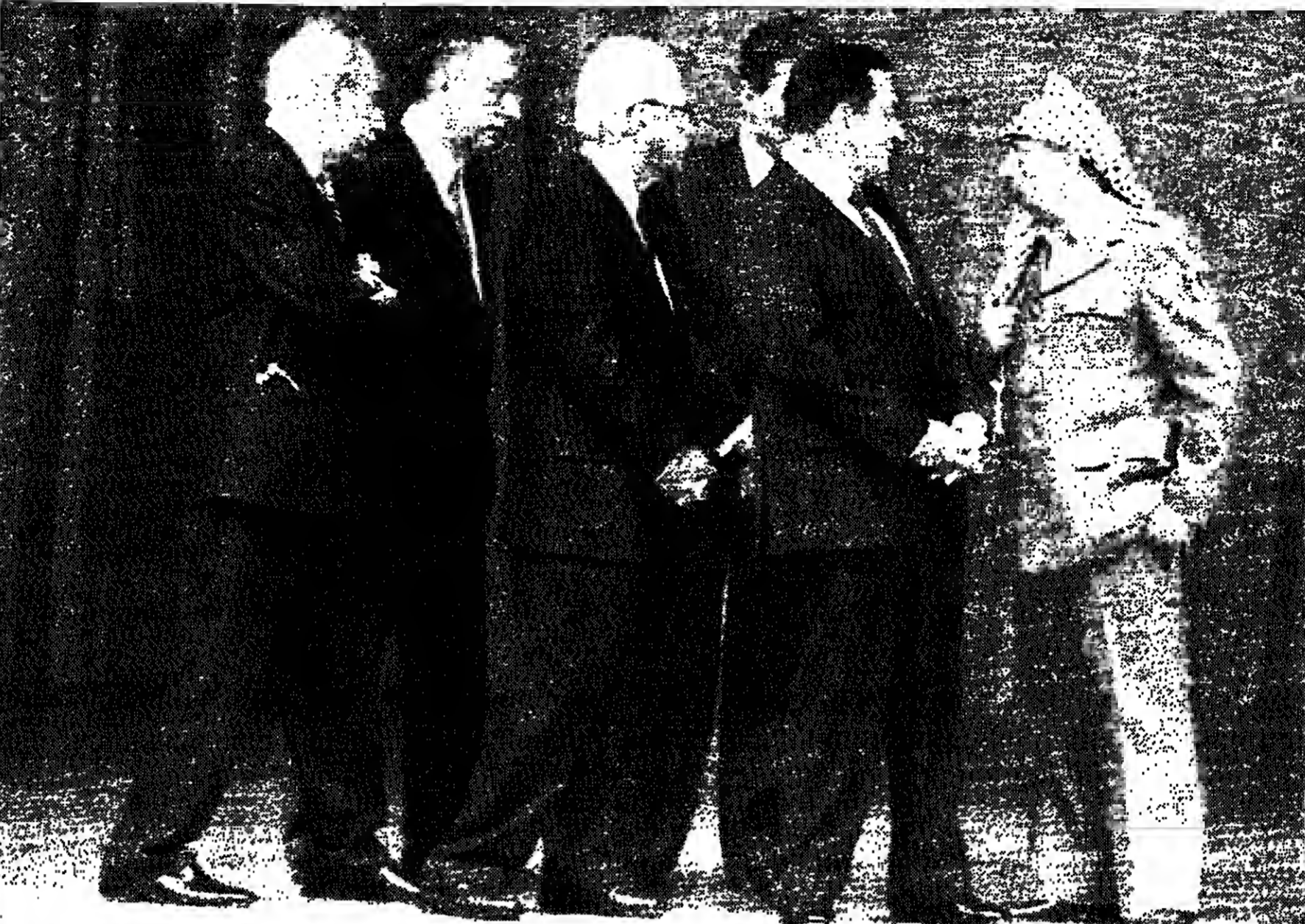
The intervention underlined worldwide anxiety about the dollar's recent sharp decline, which has been attributed largely to feverish dollar selling by U.S.-based investment funds.

For the Bundesbank, the mark's unexpected 3 percent rise over the last 10 days was too much of a good thing. "First in the stability of the D-mark on international financial markets has been steady, as we saw during the recent volatility in connection with a change of sentiment in the United States," Mr. Tietmeyer said in a speech.

"Today the D-mark is stronger rather than weaker," he added, "but an excessive appreciation is not in Germany's interest."

See DOLLAR, Page 10

A Brief Glitch, Then a 'True Beginning' for Peace



Yasser Arafat, PLO chairman, right, after he raised the issue of boundaries at the Cairo ceremony Wednesday. Conferring, from left, were Foreign Minister Shimon Peres of Israel, Foreign Minister Andrei V. Kozyrev of Russia, Prime Minister Yitzhak Rabin of Israel, Foreign Minister Amr Moussa of Egypt, and President Hosni Mubarak of Egypt.

Arafat Raises Border Issue But Signs Pact With Israel

By Chris Hedges
New York Times Service

CAIRO — Yasser Arafat, the Palestine Liberation Organization chairman, and Prime Minister Yitzhak Rabin of Israel signed a self-rule agreement Wednesday that ended 27 years of Israeli military occupation in Gaza and Jericho and turned authority over to the PLO.

The signing, after six months of negotiations that were undertaken in Washington in September, was greeted with applause by an audience that included President Hosni Mubarak of Egypt, Secretary of State Warren M. Christopher, Foreign Minister Andrei V. Kozyrev of Russia and other dignitaries.

"Today we declare that the conflict is over," the Israeli foreign minister, Shimon Peres, told the gathering.

But the two sides must still resolve three outstanding issues, negotiators said, including the boundaries of Jericho in the West Bank, whether the Palestinians will place a guard on the bridge joining the West Bank and Jordan, and the manning of the Gaza border outpost connecting Gaza and Egypt.

There was a brief glitch in the ceremony when Mr. Mubarak, Mr. Christopher and other dignitaries began a heated discussion with Mr. Arafat on the stage, even as speeches were being delivered. The group had to retire to the wings to confer for five minutes before returning to conclude the signing.

Palestinian officials said Mr. Arafat wanted a written understanding from Mr. Rabin, with whom he met for six hours on Tuesday night and early Wednesday morning, that the boundaries in Gaza and Jericho were still under discussion.

Mr. Arafat signed the six maps in the 450-page document with this notation: Mr. Rabin, who agreed to the request, signed after calling an aide to read the notes Mr. Arafat had jotted in the margin in Arabic.

"Nowadays you can watch how birth is being given on television," Mr. Peres quipped.

Mr. Rabin also said that Mr. Arafat had asked for a three-week delay in carrying out the handover of authority because Palestinian officials were not prepared to assume power.

"We are interested in a relatively short implementation, but it became clear to me yesterday that the chairman of the PLO is asking for a few weeks, two or three, for the changeover," Mr. Rabin said following the ceremony. "We will apparently have to agree to this."

A Palestinian leader, Faisal Husseini, called the signing "the first stage for a Palestinian state."

"I would hope that it would be a bigger first step," he said, "but it is the beginning."

Israeli troops are scheduled to begin withdrawing from Gaza and Jericho within 24 hours. Most of the troops will be gone within 21 days. The first contingent of a 9,000-member Palestinian police force will arrive Thursday to take over security in the area. Israel is also committed to releasing hundreds of Palestinians held in Israeli prisons.

Mr. Arafat called the accord a "true beginning to complete the march of peace and guarantee the legitimate rights of the Palestinian people."

The agreement gives Palestinians control over their daily affairs. Israel will, however, retain responsibility for external security, control of the borders with Jordan and Egypt and foreign relations.

The accord calls for negotiations on a permanent settlement for the rest of the West Bank and Arab East Jerusalem. The Palestinians.

See ACCORD, Page 4

Gaza Family, Exhausted by War, Is Wary of Peace

By David Hoffman
Washington Post Service

JABALIYA, Gaza Strip — In the breezy, cinder-block room decorated with drawings his sons made in prison, Mohammed Msalam fingered the Palestinian flag as it gently fluttered in the window on Wednesday, but his spirits were subdued on the day the Gaza Strip was formally given up by Israel.

"This flag was forbidden for a long time," he said. "You can't find a Palestinian who dared fly it. But I know a flag is not everything. We need more, much more."

His somber mood captured the low-key reaction in Gaza and the West Bank town of Jericho on Wednesday as Israel and the Palestine Liberation Organization signed the documents putting Palestinian self-rule into effect.

Instead of the exultations that greeted the peace accord last September, the Msalam family, exhausted by a conflict that has deeply touched two generations, found little to cheer.

In Gaza, a few cars and minibuses careened down the main streets with horns blaring, and shopkeepers brought out new stocks of the green, white, red and black Palestinian standard. Crowds gathered to welcome home hundreds of prisoners released from Israeli jails, and a half-dozen leaders of the new Palestinian police force arrived quietly to make preparations for 1,000 policemen expected in the next few days.

But after months of false starts and delays, after high expectations that were dashed by continuing economic hardship, the ceremony in Cairo seemed to be just another milestone on what is turning out to be an excruciatingly difficult passage for the Palestinians.

"Yesterday, I didn't believe they would sit and sign it," Mr. Msalam said. "Now, I'm less worried. I see that it's for real."

The Msalam family, refugees from the 1948 war, have long been caught up in the struggle with Israel, and even as they watched the Gaza-

See FAMILY, Page 4

Bonn Overcomes Hurdle To Lufthansa Privatization

Compiled by Our Staff From Dispatches

BONN — The German government cleared the way Wednesday for the full privatization of Lufthansa AG after agreeing to a deal with the unprofitable national airline on meeting its pension liabilities.

Germany's finance minister, Theo Waigel, said the government intended to sell its entire 51.42 percent stake in the airline in stages.

"It is not our intention to sit on a certain proportion of the shares or to hold onto them," Mr. Waigel said.

Industry analysts said the privatization and pension deal should help the airline take a big step toward improving its competitiveness with U.S. carriers.

"Lufthansa will become more competitive because they will be able to reduce their costs more than we have seen in the past," said Hans-Joachim Koenig, an analyst at the BHF-Bank in Frankfurt. "I think they didn't take as many cost-cutting steps in the past because their major shareholder is the government."

The German airline is struggling with growing aggressiveness by U.S. competitors, currently fluctuations that make it more expensive to fly to Germany and weak European economies.

The Lufthansa parent company posted net losses of 110 million DM (\$67 million) last year and 373 million DM in 1992. The cut in 1993 losses was helped by laying off about 4,000 Lufthansa workers. The airline's 1992 passenger totals put it in eighth place among the world's air carriers, way behind most U.S. competitors. But in terms of international passengers, Lufthansa is second only to British Airways.

Analysts have long said that privatizing the German carrier would help restore it to profitability, not to mention offering a badly needed cash injection for the government. But a sell-off has been hindered by uncertainty over who would pay the pensions of Lufthansa's 45,300 employees.

Under the complicated pension deal reached Wednesday, the government will pay a total of 1.6 billion Deutsche marks to cover the pensions of existing Lufthansa staff and retirees. It also will guarantee pensions up to 1.1 billion marks in the event of Lufthansa becoming insolvent.

The airline also will build up its own pension reserves, starting by setting aside 264 million marks in 1995, and will be liable for the pensions of staff who join after 1995.

Mr. Waigel said the government would raise more than enough funds through the privatization.

See LUFTHANSA, Page 4

The Doubts Can Wait: First the Miracle

By Bill Keller
New York Times Service

JOHANNESBURG — Soon enough the doubts will nudge at the new South Africa. "What unity?" someone will ask of the so-called government of national unity, which will try to harness the wild ambitions of rival politicians to common purpose.

Graphs will appear demonstrating that social justice and economic growth are irreconcilable. The rainbow memory of voting day will dissolve in the realization that most voters, once they got inside the booth, voted along racial lines. The killing may resume.

But this week, South Africans have been buoyed above self-doubt by the evidence of their own resilience. The same nation that a year ago watched rioters in the streets after the killing of a black liberation hero, Chris Hani, watched Monday night as Mr. Hani's widow uncorked a bottle of champagne and poured for Nelson Mandela, who toasted his former enemies live on national television.

"I'm at a loss for words, other than 'miraculous,'" to describe how this country in spite of everything has pulled itself together and got on with it," said the playwright Athol Fugard.

Mr. Fugard tuned in to listen to the two main actors in this national drama, watching for a single mean-spirited note and hearing none from either President Frederik W. de Klerk, conceding power, or Mr. Mandela, accepting power.

"I'm not exaggerating, but I was close to tears, sitting in my apartment and listening on the radio," the writer said. "Hearing these two men, one in a sense the loser and the other in a sense the victor, and both of them passionate in their vision of a South Africa that embraced everybody."

South Africa has endured a cannonade of

See VOTE, Page 4

New on Job, Japanese Official Opens an Old Wound

By T. R. Reid
Washington Post Service

TOKYO — Moving quickly to head off an embarrassment for his wobbly new government, Prime Minister Tsutomu Hata publicly reprimanded a member of his cabinet on Wednesday who had declared that the Japanese Army's infamous "Rape of Nanking" in 1937 was a "fiction."

Mr. Hata, who is visiting Europe, issued a statement saying it was "improper" for his newly named justice minister, Shigetomo Nagano, to deny that Japanese soldiers brutalized residents of Nanking during Japan's drive to colonize China.

Mr. Nagano, a 71-year-old army general turned politician, told the Mainichi newspaper in an interview published Wednesday that reports of the Nanking massacre were "fiction." The paper also quoted Mr. Nagano as saying that "it is wrong to say that Japan's war against China was an aggressive war."

Within hours after the interview appeared, Mr. Nagano retracted his comments.

"The aggression during the war cannot be denied," he said in a statement issued Wednesday evening.

"It is a fact," he added, that "many Chinese soldiers and civilians were killed by Japanese when Nanking fell."

By trying to stem the controversy before it had time to grow, Mr. Hata may have headed off a political jolt for his week-old cabinet, which had a highly tenuous grasp on power even before Mr. Nagano's comments.

The prime minister's quick action, and Mr. Nagano's quick retreat, demonstrated vividly how the political winds have shifted in Japan since last summer, when Mr. Hata and his fellow reformers ended four decades of conservative one-party rule. One of the key changes brought about by the coalition governments — first under Morihiro Hosokawa and now under Mr. Hata — has been a willingness to face up to

See REPRIMAND, Page 4

Kiosk 4 Countries Clear Hurdle to EU Entry

The European Parliament voted overwhelmingly on Wednesday to admit Austria, Finland, Norway and Sweden to the European Union, rejecting calls for delay. The Parliament was given a larger role in EU decision-making.

All four countries had already agreed on terms of membership with the Union, and must hold referendums. The target date for entry is Jan. 1, 1995 (Page 2).

After Senna's Death, Grand Prix Tries to Slow Down

By Brad Spurgeon
International Herald Tribune

PARIS — The governing body of Grand Prix racing, under pressure to enhance safety after the deaths of the three-time world champion Ayrton Senna and another driver at last weekend's competition in Italy, said Wednesday that it was considering ways to reduce the speed of the racing cars.

But, in sidestepping for the most part the main issue — the crashes that killed Senna and an Austrian rookie driver, Roland Ratzenberger — the International Automobile Federation came out of its special high-level meeting with only three relatively limited safety measures intended to reduce accidents around the pit lanes.

"After five accidents this past weekend, including two deaths, one must be careful not to overreact," said Max Mosley, the federation's president. "We must not be tempted to force things onto the teams and create other things."

What killed Senna on Sunday at the Tamborello curve at Imola, Italy, and Ratzenberger 24 hours earlier, at the start of a curve just up the track, remain unknown. Senna died of extensive head injuries after his Williams-Renault hit the circuit's concrete wall straight on. Ratzenberger also died of head injuries after hitting the wall in his Simtek-Ford.

The Williams team said no decision on a replacement for Senna would be made until next week. He was to be buried in São Paulo on Thursday morning.

Mosley, quoted by Reuters, said Wednesday that Senna had reached a speed of 310 kilometers an hour (192 miles an hour) when he lost control of his car. "Why he lost control we don't know yet," he said.

Mosley said the exact reasons for the crashes would not be known until the Grand Prix governing body, known by its French acronym, FIA, and the drivers' teams were able to get the cars and equipment back from Italian authorities.

"The whole picture will not be known until the car is back with the teams and will be examined," he said, adding that it might be a month before more definite answers were available.

He and Simtek officials said Ratzenberger

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São Paulo cadets carrying Ayrton Senna's coffin to the Congress on Wednesday.

Newsstand Prices	
Bahrain	0.800 Din
Cyprus	0.100 D.K.
Denmark	14.000 D.Kr.
Finland	11 F.M.
Gibraltar	0.085 G.P.
Great Britain	0.085 G.P.
Egypt	0.085 G.P.
Jordan	0.085 G.P.
Kenya	0.085 G.P.
Kuwait	0.085 G.P.
Malta	0.085 G.P.
Nigeria	0.085 G.P.
Norway	15 N.Kr.
Oman	1,000 Riols
Qatar	8.000 Riols
Repub. Ireland	0.085 G.P.
Saudi Arabia	0.085 G.P.
South Africa	0.085 G.P.
U.A.E.	0.085 G.P.
U.S. Mil.	0.085 G.P.
Zimbabwe	0.085 G.P.

Dow Jones	
Down	18.68
3697.75	
Trib Index	
Down	1.35%
110.88	
The Dollar	
New York	West. close
DM	1.6545
Yen	101.845
FF	5.694
Previous close	1.637
	1.5135
	101.00
	5.6108

It's a New World for White Farmers

By William Claiborne
Washington Post Service

WEIPE, South Africa — The Limpopo River Kommando, a paramilitary group of white farmers who for years fought skirmishes with infiltrating African National Congress guerrillas along the Zimbabwe border here, has made some adjustments for the new South Africa.

For one thing, Piet Esterhuysen got rid of the six bull mastiffs and Doberman pinschers that used to roam the razor-wire perimeter of his farmhouse at night, replacing them with an overweight and somewhat somnolent family dog of questionable ancestry. Then he sold the armor-plated pickup trucks he used for minesweeping drives every morning over the dirt roads that cross his farm, which is just 300 yards from the border.

As apartheid collapsed and Nelson Mandela began negotiating a peaceful transfer of power to a black-led government, Mr. Esterhuysen put away the Israeli-made Uzi submachine gun that he had kept constantly by his side, and his children began traveling to their school in Messina, 45 miles to the east, without a military escort.

But the biggest adjustment may have come in the lead-up to South Africa's first all-race election. Instead of resisting, Mr. Esterhuysen and his neighbors organized a voter education day for their black workers and invited ANC canvassers to come to the farm to speak, along with campaign workers from the governing National Party.

"I don't think six years ago I ever thought I'd be inviting the

ANC to my farm to canvass my laborers for an election," he told an American visitor, with whom he last talked in June 1988, shortly after five ANC infiltrators attacked the house of another white farmer nearby with rocket-propelled grenades and then escaped back into Zimbabwe.

Even the ANC election campaigning in this heartland of white conservatism, viewed in the context of the dizzying speed with which South Africa is being transformed to a democracy did

'Well, the world has got to change, and you have to go with it.'

Piet Esterhuysen, white South African farmer.

not seem too extraordinary to most white farmers in the Limpopo Valley, Mr. Esterhuysen said. After all, only two weeks earlier, Joe Modise, the longtime commander-in-chief of the ANC's Spear of the Nation guerrilla force, made a campaign appearance in Messina, not far from where he used to dispatch his fighters for terror raids against white farmers.

Mr. Modise was accompanied by Mithetheli Ncube and Mzandeli Nondula, two former ANC guerrillas who in 1989 were sentenced in a Messina court to be hanged after being convicted of planting land mines on this side of the 175-mile border with Zimbabwe, the former Rhodesia. Mr.

Ncube and Mr. Nondula were released under a 1992 amnesty.

"Well, the world has got to change, and whether you like it or not, if you commit yourself to change, you have to go with it," said Mr. Esterhuysen, who owns 500 acres of irrigated land, employs 300 black laborers and describes himself as a pragmatic businessman and not a politician. "It's the only solution."

"A lot of people around here are from Rhodesia and have been through the war there," said Mr. Esterhuysen, who grew up in the northern Transvaal. "They saw that after the changes there you still had to go on living. You have to look after yourself."

The 41-year-old farmer and his wife, Bee, who has six children, made no attempt to mask their lack of enthusiasm for a black-majority government.

"Frankly, I can't see us under a government like that," he said. "If you look all over Africa, there's been an economic mess when this has happened. But then, things weren't right in South Africa either, so you couldn't have done otherwise."

His resignation is a reflection of the mood of many white South Africans who have too large a financial stake here to consider leaving and are relying heavily on what they perceive to be the mutual dependency of blacks and whites to allow them to stay and prosper after the remarkable transfer of power that is taking place.

They may long for the white ministe that is promised by the rightist campaign signs that abound in this region, but most of

them have grudgingly accepted the reality that that is not what they are going to get.

"There's no use being scared of a black government," he said. "We have to work with each other, and I think the most important things for this new government are establishing law and order and assuring economic stability."

Mr. Esterhuysen, who said he paid his black farm laborers the equivalent of \$60 to \$150 a month and his skilled workers about \$300, acknowledged that it would only be natural for a new black-led government to seek higher wages and an improved standard of living for the black majority.

"I can live with that," he said. "If the work attitude is right, their wages can also go up. But if people come and demand more pay for no more performance, well, that's another thing."

"What I worry about is that their expectations may be too high," he added. "They may think that right after the election money is going to fall like rain. I think even Mandela is trying to tell them now that they have to be more realistic."

Avraham Luruli, an ANC election coordinator in Messina, said he had detected a gradual shift in attitudes among whites in the northern Transvaal after a wave of panic in which many whites stockpiled food and ammunition for what they feared would be a backlash of redistribution and score-settling by blacks.

"There seems to be an understanding between blacks and whites," he said. "They may not like what is happening, but they are learning to accept it."

Natal Race Tightens as ANC Claims Vast Fraud

By Kenneth B. Noble
New York Times Service

DURBAN, South Africa — Uncertainty surrounded the outcome of elections in the volatile Zululand heartland of Natal on Wednesday, with new vote totals showing a very close race between the African National Congress and its adversary, the Inkatha Freedom Party.

Even though the polls closed five days before, the battle for control of South Africa's most fiercely contested province intensified as officials of the ANC and Inkatha accused each other of across-the-board cheating and vote rigging.

Still-incomplete returns showed Inkatha slightly ahead of the ANC, 43 percent to 38 percent, in counting for the Natal provincial legislature.

"We believe Inkatha had its own private polling stations. 54 of them," said Ronnie Mamooa, an ANC spokesman. Other alleged irregularities in voting ranged from tampering with the plastic seals used to close ballot boxes to chasing monitors from polling stations to intimidating people casting ballots.

The Inkatha leader, Chief Mangosuthu Buthe, described the accusations as "quite extraordinary."

Speaking in Ulundi, the capital of the soon-to-be defunct homeland of KwaZulu, Chief Buthe reacted indignantly, saying the allegations were made because "we are whipping the ANC" in Natal, a region of 6 million people.

Another senior Inkatha official, Themba Khoza, said in Johannesburg that the elections had not been free and fair. "We were robbed," he said.

It was difficult to assess the various charges. Members of the Independent Electoral Commission, while expressing concern, said they were not persuaded that these incidents, taken together, constituted proof of systematic election fraud.

At the same time, however, Johann Krieger, the chairman of the electoral commission, said that computer sabotage was part of the reason for delays in the ballot counting. But Mr. Krieger insisted that the incident had made "a very trivial difference" on overall trends in election results.

The contest in Natal is being closely watched because the province is believed to have been the scene of nearly half of the country's political killings in the last decade. A victory by Inkatha, which has its strongest following in Natal, would probably go a long way toward defusing many of the tensions in the region.

Vote-counting has been a very slow and tedious affair and is still far from complete. In the national vote, the returns so far give the ANC a solid 62.5 percent of the vote and the National Party 22.1 percent, with Inkatha in third place with 8.3 percent.

In the counting for the nine provincial legislatures, the ANC is ahead in seven, with the National Party ahead in the western Cape and Inkatha slightly ahead in Natal.

FAMILY: Exhausted by War, Palestinians in Gaza Are Wary of Peace

Continued from Page 1

Jericho papers being signed by Yasser Arafat, the PLO chairman, and Prime Minister Yitzhak Rabin of Israel, the cycle of the conflict had not ended.

When a reporter visited them last fall, they were waiting the return of their eldest son, Moen, 34, whom Israel deported in 1991, accusing him of being a leader in the El Fatah, the major faction in the PLO, and inciting violence against Jews. Moen worked for a while at the PLO headquarters in Tunis. Recently, he was among more than 150 deportees and fugitives who had returned to Gaza, sanctioned by Israel as part of the peace accord.

But the parents' excitement at his return was tempered by the sight in March that Israeli soldiers climbed over the border-block wall and arrested their other son, Rafik, 26, and took him to the Ketzioz prison in the Negev, where he is still being held.

Outside the house, shielded from the sun by a makeshift wall of blankets, Moen smoked cigarettes and drank coffee with friends perched on bench seats removed from cars and vans. The friends listened with respect to his words, laced with

the courtyard, where they remain. Back then, he said he would measure the peace by the absence of conflict, and on Wednesday he seemed to be still waiting for normalcy.

"When the street will see Palestinian police, and no more Israeli soldiers, then there will be change," he said. "We are going to get rid of the Israeli Army, get rid of the suffering and the pain."

"Israel wants to get rid of the Gaza Strip forever," said Mohammed, who fled to Gaza after the 1948 war. He said his one regret about the Gaza-Jericho arrangement was that it appeared to close the door further on the hopes of the 1948 refugees, some of whom still want to return, or get compensation for the lands they lost.

"Israel is going to get an end to the shooting of Israelis," he said. "And its borders with Gaza will be safe. The Israeli people were worried about their existence in Israel, and now they will have nothing to worry about. They will be safe in their place."

Mohammed Maslam, a 60-year-old gardener, joined his son in the shade. In September, he had strung up small Palestinian flags across

the courtyard, where they remain. Back then, he said he would measure the peace by the absence of conflict, and on Wednesday he seemed to be still waiting for normalcy.

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Palestinians in Jericho expressing their feelings after they heard that the accord had been signed.

Main Points of Gaza-Jericho Pact

Washington Post Service

Following are some of the main points in the Gaza-Jericho accord signed Wednesday in Cairo.

● The new 24-member Palestinian Authority, chaired by the PLO chairman, Yasser Arafat, will assume authority in most civilian affairs.

● Jurisdiction of the Palestinian Authority will cover a 62-square-kilometer area (about 24 square miles) around the West Bank town of Jericho and the Gaza Strip except for Jewish settlements there, main roads leading to those settlements, and Israeli military installations.

● A 9,000-member Palestinian police force will provide security in the autonomous areas. Of these, 7,000 will come from outside the territories and 2,000 others will be recruited from within.

● Israeli troop withdrawal is to be completed within three weeks from the signing of the agreement.

● A Joint Civil Affairs Coordination and Cooperation Committee and two Joint Regional Civil Affairs Subcommittees, one for the Gaza Strip and the other for the Jericho area, are to be established to coordinate and cooperate in civil affairs between the Palestinian Authority and Israel.

● Legislation passed by the Palestinian Authority is to be communicated to a legislation subcommittee of the Joint Civil Affairs Coordination and Cooperation Committee for review.

● If the subcommittee is unable to reach a decision, the legislation will be referred to the Joint Israeli-Palestinian Liaison Committee set up under the Declaration of Principles signed in Washington last September.

● Laws and military orders in effect in the Gaza

Strip or Jericho area prior to the signing of the agreement shall remain in force, unless amended or abrogated by the agreement.

● Israel will continue to have responsibility for defense against external threats and for the overall security of Israel and Israeli settlements.

● Israel and the Palestinian Authority shall seek to foster mutual understanding and tolerance and shall accordingly abstain from incitement, including hostile propaganda, against each other and without violating freedom of expression, shall take legal measures to prevent such incitement by any organizations, groups or individuals within its jurisdiction.

● Both sides shall take all measures necessary to prevent acts of terrorism, crime and hostilities directed against each other... and take legal measures against offenders.

● Both sides agree to a temporary international or foreign presence of observers in the PNA territory, which shall consist of 400 qualified persons from 5 or 6 donor countries and be funded by them.

● The Palestinian authority will control water resources in Gaza and Jericho in principle, but Israel will continue to pump water in the two areas.

● Israel reserves the right to arrest and prosecute all Israelis in the autonomous zones. Except for certain cases, Palestinians and third-country nationals will be under Palestinian legal authority.

● The Palestinian Authority can print postage stamps, have an international telephone code and allocated frequencies for radio and television transmissions, and issue Palestinian residents travel papers, good for three years, which will say "laissez-passer" and "passport."

Watching on television as Mr. Arafat and Mr. Rabin went through the final signing, Mohammed said: "They had no choice but to be partners. It's like two fists with a heavy sack of salt. One of them alone cannot carry it across the road. But if they share it, they can cross. Rabin and Arafat would never have succeeded in making peace alone."

Mohammed Maslam said he was not among those who worried that Gaza will break down into a lawless, non-style sectarian conflict, nor does he share the fears that Mr. Arafat will forsake democracy. He fully expects Mr. Arafat to take a strong hand at the outset.

"Of course, Palestine is going to be a democratic country," he said. "But when the autonomous areas, the Palestinians need a tough and strong authority. If they start democracy from the first day, the whole thing will fail."

"We have been living for 27 years under occupation, and the people have been violent," he said. "To change this people from violence to democracy should be a strong authority. For the first seven years, the people have been used to anarchy and chaos. We want to end it."

Mr. Rabin, who aimed most of his remarks to his Israeli television audience, called the agreement "a very daring project."

"A century of bloodshed has forged in us a core of mutual enmity," he said. "Today we are extending a hand in peace."

Mr. Rabin concluded with an impassioned call for reconciliation. "In the alleys of Ramat Yisrael and in the streets of Ramat Gan, in the houses of Gaza, in the town square of Hebron, Rafiah and Afula," Mr. Rabin said, "there is a birth of a new reality. One hundred years of Palestinian-Israeli conflict can now be over. Millions of people look to us in the hope of leading normal lives."

The accord does not call for the creation of a Palestinian state, and Mr. Arafat carefully avoided mentioning the establishment of a state in his remarks. But officials involved in the talks, including many Israelis, said the agreement could lead to the creation of an independent state following the three-year interim period, when the final status of the West Bank and Gaza will be negotiated.

"We are mapping today our relations so we will make borders in the future," Mr. Peres said. The agreement will bring to a close Mr. Arafat's nearly three decades of exile, allowing him to return within a month. It will transform him from a guerrilla leader, who often lived in secrecy, to a civil administrator.

But the signing also appears to end the dream of many Israeli rightists, who hoped to establish a greater Israel beyond its pre-1967 borders. And it has angered the Islamic militant group Hamas, which opposes the peace plan.

Syria and hard-line Palestinian groups based in Damascus condemned the accord. The official Syrian daily Al-Thawra said Syria believed "such separate and partial solutions would put obstacles in the way of a just and comprehensive peace."

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UN Won't Succeed, Rwandan Rebels Say

Reuters

RUSOMO, Rwanda — The commander of Rwanda's rebel forces said Wednesday that a United Nations force would fail to bring peace to Rwanda. The only way to stop the massacres was a guerrilla victory, he added.

On a tour of areas captured by in a month-long rebel offensive, Major General Paul Kagame, head of the Rwanda Patriotic Front, said rebel forces were intent on saving innocent civilians from mass slaughter.

"Our priority is to pacify as much of the country as we can," he said at a press conference near the

Tanzanian border. "We will keep a tight grip on Kigali, but our priority is to try and save as many people as possible throughout the country." Kigali is the capital.

Asked about UN proposals for a strong international force to intervene in Rwanda to stop the blood-bath, General Kagame said:

"Outside forces do not solve problems we have in Africa. They come in with little understanding of the situation or they take sides in the conflict." Ultimate victory by the Patriotic Front "is the best solution for this country," he added.

He said he believed powers pushing for such a force wanted to prevent the rebels from emerging as the clear winner.

"Specifically, I talk about the French, who want to influence things to the benefit of the remnants of the regime."

The Patriotic Front accuses France of supporting the government of President Juvenal Habyarimana, whose killing in a rocket attack on his plane on April 6 triggered the massacres. An interim government from the Hutu majority took over in Kigali.

The rebel front is dominated by the Tutsi minority, which witnesses and aid workers say has taken the brunt of the campaign of mass slaughter by government forces. Hutu militiamen and mobs.

General Kagame was speaking in the border town of Rusomo, more than 250,000 refugees, mainly Hutu, flooded into northwest Tanzania within 24 hours last week, fleeing the advancing rebels.

Asked about rebel refusal to meet members of the government in Tanzania since Tuesday, General Kagame said it made no sense to agree to talk peace with them.

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REPRIMAND: New on the Job, a Japanese Aide Opens an Old Wound

Continued from Page 1

Japanese actions before and during World War II, and to apologize to the victims.

The message Mr. Hata delivered Wednesday was that it was not acceptable for officials to deny Japan's war crimes.

For decades, rightist nationalists in Japan have defended or simply denied Japan's brutal colonization of East Asia. Their argument, in part, is that Japan's thrust into Asia was not an aggressive war but actually a war of liberation designed to free Asian nations from control by Western powers. The nationalists, faced with historical evidence of Japanese brutality, have said the photographs and interviews were faked.

The idea that Japan was not an aggressor is a minority view here. But it was at least respectable enough to be espoused by some lawmakers in the Liberal Democratic Party, which controlled the government until last summer.

Indeed, the new justice minister expressed such views himself when he was a Liberal Democrat. In those days, there were no rebukes from the political leaders to people who made such remarks.

But Mr. Hosokawa, Mr. Hata and most

members of their centrist coalition have changed Japan's official stance toward the war. Emperor Akihito is scheduled to visit the Pearl Harbor memorial in Honolulu this summer and apologize to Americans for the attack. Japan's political leadership controls the emperor's travel. It is unlikely that this visit would have been permitted if the Liberal Democrats still governed Japan.

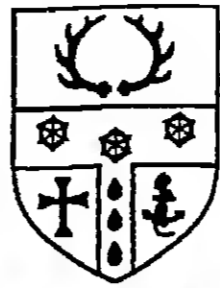
The statement Mr. Hata issued Wednesday is characteristic of the new tone.

"Our nation's actions, including aggression and colonial rule, caused unbearable suffering and sorrow," the prime minister said. "All of us, one by one, must see this history as it is and share a joint determination that it shall not happen again."



Founded in 1964 by Dr. Walter Leibrecht, who continues to serve as president, Schiller International University has taken a global approach to education from its inception. Today, it attracts students from 130 countries to its 10 campuses in six countries, offering a truly international education that prepares them for a global marketplace and a global future.

SCHILLER INTERNATIONAL UNIVERSITY



دولة من الامم المتحدة

ADVERTISEMENT



THIRTY YEARS OF EDUCATION FOR INTERNATIONAL CAREERS

A student at Schiller International University might start out at the English Language Institute at Wickham Court, perfecting his or her English and gradually taking on additional courses as proficiency improves. The next year might find this student in Heidelberg, continuing studies in international business, with additional German cultural enrichment. In order to get closer to the heart of the European Parliament, the next stop might be Stras-

bourg, with the final year in the high-powered business atmosphere of London to complete work on a Bachelor of Arts degree in international business before going

majority of undergraduate students spend at least one term at a second campus; many go to three or four. Says the university's president, Dr. Walter Leibrecht:

"We are not culture-bound in any sense"

on for a Master of Arts degree in international relations and diplomacy.

"Not only is this possible, this is what students at Schiller actually do," says Cathy Eberhart, vice president for academic affairs. "A

Schiller has a niche filled by very few institutions: providing a truly international education, not just a few courses here and there. All courses, with very few exceptions, contain an international aspect. We are not culture-bound in any sense."

The Heidelberg campus is spread over three buildings: the Villa Manesse, which houses administrative offices and undergraduate classes, with the Collegium Palatinum language institute in an adjacent building; the German-American Institute, with its library, lectures and cultural events across the street; and the Palais Friedrich, which houses graduate programs and dormitories.

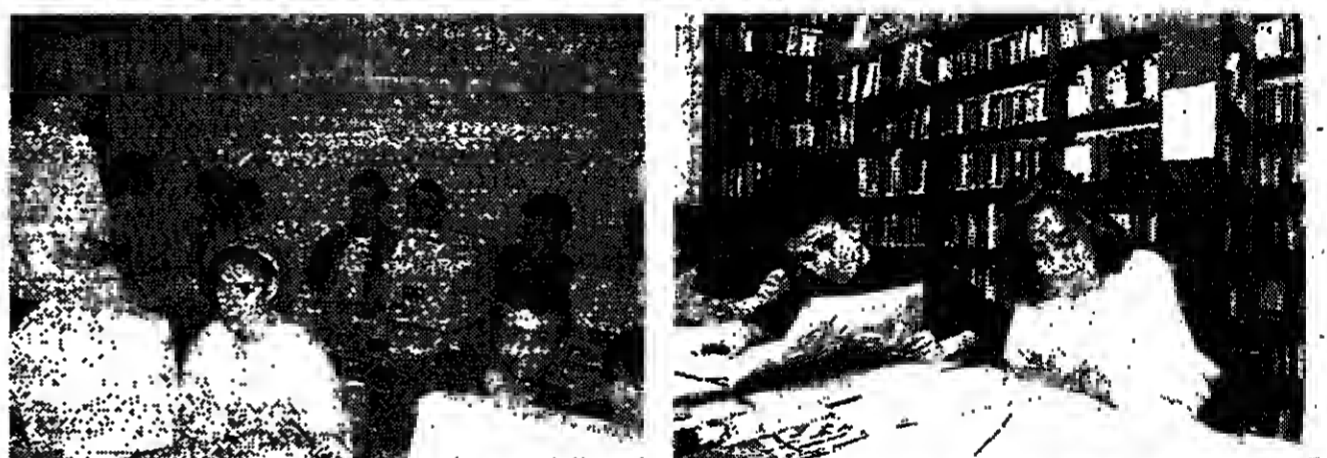
In Strasbourg, students and faculty study and live together in the landmark Château de Pourtales, one of the smallest SIU campuses, with students from 19 nations. An additional 40 MBA students are mostly professionals from the greater Strasbourg area. Historically a feeder campus for Heidelberg and London, Strasbourg is developing its own identity, with a four-year BBA program in international business and the

first two years of hotel management.

The London campus at Royal Waterloo House is SIU's largest, with students from 80 countries. Most are studying for international relations and diplomacy and international business degrees, but hotel management is also strong. There is a trend toward combining business with another field, such as engineering management or computer management. Programs unique to the London campus are pre-med, pre-engineering and commercial art.

SIU's second Greater London residential campus is located in the 15th-century mansion of Wickham Court near Croydon. Here, students complete their first two years of preparatory work before transferring to another Schiller campus, or follow intensive English instruction at the English Language Institute.

Non-residential campuses occupy modern buildings in the hearts of Paris and Madrid. Paris remains a great favorite of Americans, who comprise about 40 percent of the student body. In addition to the regular full-time program, SIU Paris offers a part-time executive MBA program instituted last year. The business administration and international relations and diplomacy programs claim the largest number of undergraduates. Madrid is the only large Schiller campus where nationals comprise a majority



Clockwise from top left of page: students at West Wickham; American College of Switzerland campus; Florida campus; the library at Heidelberg; computer lab at the Madrid campus.

of the students: 61 percent. More Spanish students began to realize the importance of an international education in 1987, after Spain joined the European Community. The strongest field is international business, followed by international relations

and diplomacy. SIU's two specialized campuses are Berlin and Engelberg. Switzerland. Berlin concentrates on preparation for the MBA degree. The Engelberg campus is comprised of two working hotels, which offer its hotel management

major invaluables hands-on experience. The new members of the Schiller University network are the American College of Switzerland in Leysin and the Florida campus in the Tampa area. While the largest block of students at

the Florida campus is American, they comprise only one-sixth of the students, who come from 41 countries. In addition to international business and international relations, Florida offers a degree in hotel and tourism management.



Johann Christoph Friedrich von Schiller (1759-1805).

AN APTITUDE FOR INNOVATION

Founded as an American university for the children of Americans living in Europe or for American students wanting to spend a year abroad, Schiller soon attracted young men and women from other nations who appreciated the flexibility, practicality and personalized attention of the American educational system.

To its first location in a 16th-century castle, Ingersheim, were added, in 1968, campuses in Paris and Madrid. One year later, the Ingersheim campus was transferred to Heidelberg. A cooperative agreement was signed in 1969 with the State University of New York to send groups of students to Schiller for one or more terms. This is the oldest of several cooperative study programs with American universities.

In 1970, SIU opened a campus in London, followed in 1973 by a residential campus in Strasbourg. Schiller launched an MBA program at its London campus in 1977. The next year, SIU London acquired Wickham Court, which became another residential campus. In 1981, the main London campus moved to Royal Waterloo House in Central London, which was purchased by the university. Schiller also acquired the Collegium Palatinum language schools. In 1983, SIU was accredited by the Association of Independent Colleges and Schools. In 1981, London City College, a training center for professional qualifications, became a part of Schiller.

A campus in Engelberg, Switzerland, emphasizing international hotel management, began operation in 1988. In 1990, SIU acquired the Palais Friedrich in Heidelberg, which houses administrative offices and Heidelberg's graduate business program. That same year, the Paris campus moved to its present location in the lively Montparnasse quarter of the city.

In 1991, SIU's campus in the United States opened at Dunedin, Florida, in the Tampa-St. Petersburg metropolitan area, when Schiller purchased the campus of Trinity College. A new campus opened in Berlin with a focus on preparation for the MBA. In July, SIU acquired the American College of Switzerland in Leysin, bringing the number of Schiller campuses to 10.

The 30th anniversary of the founding of Schiller International University is being celebrated on all campuses during commencement ceremonies this spring, and there are plans to hold a meeting of alumni - an international network of businesspeople, educators, government officials and diplomats - at Engelberg.

For more information, contact: Schiller International University, Admissions Office, 51 Waterloo Road, London SE1 8TX, England. Tel.: (44 71) 928-1372, fax (44 71) 620-1236; or 453 Edgewater Drive, Dunedin, Florida 34698, USA. Tel.: (1 813) 736-5082, fax (1 813) 736-6263.

PIONEER IN MULTICULTURAL LEARNING

It was Dr. Walter Leibrecht's experience as a lecturer at Columbia University and a professor at Harvard University and the University of Chicago in the 1950s and early '60s that convinced him of the strengths of the American college system. "I was very much impressed with the tutor approach at Harvard," he says, "and felt that the younger students needed that personalized attention; students at large European state universities often get lost."

Returning to Heidelberg, where he had received his doctorate from the University of Heidelberg, he proposed to the German educational authorities that they set up a network of American-style colleges in small towns around Heidelberg. "I failed miserably," he recalls. "It didn't fit the system."

He decided to do it himself, opening Schiller College in 1964 with 35 American students in a 16th-century castle, Ingersheim. "At the beginning, the students did everything themselves, running the offices and kitchen, building the library. It was a self-made college."

Why the name Schiller? "We were located across from the town of Marbach, where Friedrich Schiller was born, and his philosophy of freedom and human rights was in line with our principles," Dr. Leibrecht says. "Right from the start, we wanted to make studying at

Schiller a truly international experience. Studying abroad was 'in' in the '60s and early '70s, a period when American education was very concerned with and optimistic about international relations. The Vietnam War put a damper on this, and Americans became more inward-looking, with students of the '70s working more in the inner cities than going to Europe."

Between 1971 and 1977, the number of American stu-

"From the start, we wanted to make Schiller international"

dents at Schiller declined. Many study-abroad programs collapsed. "Our enrollment dropped to fewer than 400 students. That's when we started making an effort to attract students from other countries," Dr. Leibrecht says.

The strategy paid off. European students started coming in larger numbers, later joined by Asians and students from other countries. "Our student body has become increasingly international since then," the president points out.

While Schiller is becoming more international in one sense, it is becoming more

American in another. In 1991, Schiller acquired the campus of Trinity College in Florida, which has become the home campus of the university. That means that most Schiller students will now complete part of their studies in Europe and part in the United States.

"The character of the school has also changed," Dr. Leibrecht observes. "The first group were philosophy and literature students. Today, the most pop-

ular fields of study are business administration, international relations and diversified areas like hotel management and banking, but all students still get a heavy dose of liberal arts."

Schiller was a pioneer in business administration, offering one of the first American MBA programs in Europe. Now there is increasing competition from European state universities, which have started offering their own MBA programs.

As for the strengths of Schiller, Dr. Leibrecht says, "We were truly international from the outset. The educational system, the accredita-

tion and our base are all American; our students and faculty are international. Practically every student studies two languages, which enhances his or her chances of getting a job."

In addition, Dr. Leibrecht cites "our excellent faculty. We have professors from 30 to 40 countries. We offer a rigorous academic program that is nevertheless practice-oriented, and we pay individual attention to each student. Students can study in four different countries during preparation for a degree, yet remain in one and the same university. This is a big plus, for instance, for those who study international relations and are preparing for a diplomatic career."

Yet our biggest asset is the over 15,000 alumni of the university, many of whom are now in important positions in countries all over the world. The alumni have become increasingly active for the university. They assist each other and can be of great help to the newly graduated students at the start of their careers."

Dr. Leibrecht admits that operating a private educational institution in Europe in the face of a recession is a struggle, but this is not his first. "Our U.S. campus is growing. The appeal of the European experience, especially for American students, is returning. We have recently received letters from additional American universities seeking to establish cooperative programs with us."

A CAMPUS PROFILE

During the Gulf War, Kuwaiti, Iraqi and Palestinian students at the American College of Switzerland watched the conflict together on CNN, frequently erupting into verbal conflict themselves, then went out for a friendly snack. The Yugoslavian crisis triggered a spirited debate between a Serbian and a Croatian student. "One of our strengths is that any international issue takes on a real, personal perspective with our students," says Nancy Carroll, provost of the most recent addition to Schiller International University.

ACS, which predates Schiller by one year, was founded in 1963 on principles similar to those Dr. Walter Leibrecht sought to implant at Ingersheim: to make an American university education available in Europe. In 1991, ACS merged with Schiller International University after the college had run into severe financial problems. Yet the American College continues its own identity, character and tradition while a member of SIU. At present, students from over 40 countries study at ACS, and the college has illustrious alumni, among them the actors Sylvester Stallone and Glynne Headley.

In addition to the traditional American college program, ACS offers a prep program that prepares students on an individualized basis for entrance to American universities.

As is the case with several other Schiller campuses, the setting is spectacular. Located above the vacation and ski resort town of Leysin, on the side of a hill overlooking Lake Geneva and the French Alps, ACS occupies the former Grand Hotel, a late-19th-century bastion of elegant Swiss *hôtellerie*. Remnants of grandeur remain in the richly paneled dining room and in the baroque ballroom that now serves as an assembly hall and site of graduation ceremonies. By and large, the hotel has been transformed into an efficient, self-contained campus where students live and study in modern surroundings.

Professor Carroll, who has been with ACS for 25 years, emphasizes the core curriculum that gives all students, even those working toward a degree in business administration, a sound grounding in liberal arts, a traditional ACS strength. Its library of 50,000 volumes is one of the largest English libraries in Switzerland.

Professor Carroll stresses the esprit de corps fostered by studying in such a close-knit environment. "Our students are our strongest selling point. Most new students come by word of mouth," she says.

This advertising section was produced in its entirety by the supplements division of the International Herald Tribune's advertising department. • It was written by Mary Krienke, a free-lance writer based in Geneva.

Herald Tribune

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A Chance to Be Free

It was a magical moment: the peaceful passage from an era of oppression to a dawn of liberation in South Africa. In Nelson Mandela's words, it was indeed "a joyous night for the human spirit." With a smile that would melt a snowman, and a jaunty dance that millions were soon imitating, South Africa's president-to-be claimed victory for his party, and his cause.

Part of what made this moment so special, and last week's election so moving, was the interplay between the leader and his cause. After 27 years in prison, Mr. Mandela emerged to lead a people who were also in bondage. Their struggle was embodied in the unwavering persistence, physical endurance and almost mystical spirituality of this singular man. He had been jailed years ago for daring to demand a nonracial parliament. Now he was presiding over the election of that very parliament.

It augurs well for South Africa that after a clearly fought and entirely unprecedented election, winners and losers reached out generously to each other. This is a promising prelude to five years of power-sharing under an interim constitution. Incomplete returns put Mr. Mandela's African National Congress first with 62.5 percent of the vote, followed by President F. W. de Klerk's long-dominant National Party with 22.2 percent, and the Zulu Chief Mangosuthu Buthe's Inkatha Freedom Party with 8.3 percent.

As important as these figures are the civility and experience in hard bargaining that developed in four years of negotiations between Mr. de Klerk's team and its National Congress partners. Should Mr. Mandela's party wind up with more than two-thirds of the vote, giving sole power to write a new constitution, it is reasonably expected that the power-sharing arrangement, a key to social peace, would still hold.

Meantime, Americans can legitimately join in the cheering. The protests of millions of ordinary American voters, black and white, emboldened the U.S. Congress to adopt, and then pass again over Ronald Reagan's veto, comprehensive economic sanctions against Pretoria's racist regime.

Popular pressure induced American banks and corporations to pull out of South Africa, thereby bolstering the internal anti-apartheid movement and further isolating a white minority government.

There is every reason for Washington to strengthen its South African connection as a freely elected government tries to jump-start a stalled economy, seeks investments and loans to build roads and schools and addresses the awesome challenge of narrowing the economic and social chasm that divides races. It is doubly in America's interest to stimulate growth and stability since South Africa and its regional neighbors offer new markets for goods and services.

Doubtless the euphoria will swiftly pass, and soon hot words will resound in a multiracial parliament. A white exodus is always possible. But, in Jesse Jackson's phrase, South Africa wisely decided to negotiate a revolution rather than have a civil war. After so remarkable and orderly an election, Americans are entitled to hope that South Africa will continue to confound expectations.

President Bill Clinton chose aptly in sending Mr. Jackson, one of Martin Luther King Jr.'s lieutenants, to lead the American observer team during the election, which in turn was aided by a \$35 million U.S. grant. The presence of King's widow at Mr. Mandela's side during the victory speech underscored the special tie between South African blacks and African-Americans. In both cases, a poor and oppressed people triumphed over monolithic power to unite a society that misused and often despised them. That is why Mr. Mandela, echoing King's most famous phrase, called on all South Africans, white and black, to "loudly proclaim from the rooftops — Free at last!"

For not only blacks have been liberated by this democratic rebirth. Whites no longer need to lie about a system whose cruelties and contradictions shamed them before the world. Blacks no longer need to struggle to be heard in the councils of their ancestral land. An entire people, a nation, has a chance to be free at last.

—THE NEW YORK TIMES.

Yes to Drug Treatment

The crime bill that is expected to become American law by summer allocates more than a billion dollars for drug courts. These are intended to provide intensive treatment and supervision instead of incarceration for first-time drug offenders. The bill also authorizes expenditures for treatment of inmates in state and federal prisons and for prevention programs aimed at high-risk individuals in low-income neighborhoods. Treating drug addicts has never been proposed as a panacea for the nation's crime problems, but effective programs would have a substantial impact not only on crime rates but also on the spread of AIDS and other public health problems related to addiction.

But does treatment work? Will all this money be well spent, or is it a delusion to expect to "cure" individuals with such a severe problem? The personal characteristics of drug abusers and the nature of the drugs involved vary widely, as do the modes of treatment now available. The latter range from the relatively cost-free 12-step programs such as Narcotics Anonymous to expensive long-term residential programs. In fact, no single medication or program will work for all patients. But anyone who seeks help — admittedly, some do not — should be able to find the right treatment.

Does methadone work? Yes, for heroin addicts whose participation is sustained. And studies show that people who are forced into treatment by courts are as successful as those

who participate voluntarily. It is the duration of treatment that determines outcome.

How about long-term residential treatment? These programs suffer a high initial dropout rate, but of those patients who complete a program, about 80 percent do not relapse. Not everyone needs this kind of expensive program, however. People who have otherwise stable lives, are employed and have a family support system may be helped by less intensive counseling and medical care. And since residential treatment often involves confrontation therapy, it might be the wrong choice for women who have been abused.

Researchers now know a great deal about chemical changes in the brain brought on by long-term addiction and are working to develop outpatient medical programs for cocaine addicts and others for whom methadone is not appropriate. Because of the nature of 12-step programs, there is only anecdotal evidence of their success. But they do work for many people and should be encouraged.

Treatment will help individuals and save lives. Addiction is a chronic and unfortunately often relapsing disorder that may never be entirely eliminated in America. But success will be measured by every patient who is even temporarily in remission, every individual coping through methadone or other medications instead of filling a jail cell, and every person whose focus moves from crime to stability.

—THE WASHINGTON POST.

Other Comment

Foreign Policy Myopia

The Clinton administration's tendency to compartmentalize foreign policy — moving in one area without calculating its effects elsewhere — has led to more contradictions in its running track dispute with Japan. For months, the United States has been putting the squeeze on Japan to open its markets by allowing the dollar to fall in value against the yen to near-record postwar lows. It did so in blithe disregard of the inflationary pressures that this could cause domestically as imports rise in price. It is the fear of inflation, far more than upward nudges in short-term interest rates by the Federal Reserve, that has sent up long-term rates. These higher long-term rates have the administration in a tizzy out of concern that they could disrupt a booming recovery.

Too often administration goals are pursued with a kind of tunnel vision. Even before the dollar's plunge last week forced Washington to intervene to prop up the dollar, some economists were voicing concern over Trade Representative Mickey Kantor's in-your-face tactics with Japan. Mr. Kantor did well last year in winning congressional approval of trade treaties. But his tough tactics with Japan could contribute to inflationary pressures, thus hindering his own administration's plans for sustained recovery.

—The Baltimore Sun.

Keep the Pressure on Saddam

The United States and Britain are under growing pressure to agree to a relaxation of economic sanctions against Iraq, Turkey and three of the five permanent members of the Security Council now favor such a course. Ostensibly, it would reward Saddam Hussein for having complied with UN demands on his weapons of mass destruction.

The hidden agenda is rather longer, however. First, the resumption of Iraqi oil exports would offer tempting trade opportunities. The most obvious beneficiary would be Turkey, but the French, Russians and Chinese also have commercial ambitions in Iraq. Secondly, the three permanent members of the Security Council aspire to assert political influence in the region at Washington's expense.

America and Britain argue that only the maintenance of sanctions has forced Saddam to make concessions, and that easing them would wreck any chance of Iraqi compliance with other UN resolutions. Behind this line lies the unspoken hope that sanctions will so weaken Iraq that Saddam will be overthrown.

Of these two approaches, the second is both more honorable and more realistic. It would be folly to reward the Iraqis before they have recognized without equivocation their border with Kuwait.

—The Daily Telegraph (London).

For Urgent Action to Stop the Massacres in Rwanda

By Cornelio Sommaruga

The writer is president of the International Committee of the Red Cross.

GENEVA — Since the tragic deaths of the presidents of Rwanda and Burundi, the people of Rwanda have suffered unspeakable atrocities. Representatives of the International Committee of the Red Cross have witnessed the slaughter of hundreds of helpless civilians, including many women and children. They have seen wounded and ill patients killed in shelters, hospitals and ambulances.

On Sunday, 24 orphans and 13 Rwandan Red Cross staff workers were savagely assassinated. Red Cross workers have tried in vain to prevent killings. They estimate that more than 100,000 Rwandans have been massacred in the past three weeks, and that about 2 million have been forced to leave their homes. Hundreds of thousands have fled the country.

Within Rwanda, thousands are housed in public buildings, private institutions or temporary shelters. These are places of relative safety for now, but certainly no guarantee of long-term security.

Fierce fighting continues between troops of the former government and those of the Rwandan Patriotic Front. Attempts to stop the massacre and bring the warring factions to the negotiating table, undertaken by African heads of state and United Nations representatives, have had no tangible results as yet. Red Cross staff workers have remained in Rwanda throughout this tragic time, doing

what they can to alleviate the suffering in very difficult conditions. The constraints on our delegates are indeed severe.

Our teams are currently active in the capital, Kigali, as well as in Byumba, Gisenyi, Kabagari and Kibungu. They are caring for the sick and wounded and for thousands of displaced people of both Hutu and Tutsi origin, in accordance with Red Cross principles of neutrality and impartiality. There are some encouraging signs that renewed guarantees of safe passage and promises to respect displaced minority groups will soon improve conditions.

The work of Rwandan and expatriate staff has generally been facilitated both in Rwanda and in neighboring states. Inside the country, the overwhelming majority of civilians and combatants have respected the Red Cross emblem and have not interfered with our work.

The few staff of the United Nations Mission in Rwanda still in the country have been helpful, providing vital assistance to Rwandans, helping Red Cross staff to cross the front line in Kigali and assisting with the evacuation of nonessential foreign staff.

The governments of Burundi, Tanzania,

Uganda and Zaire have been, with a few local exceptions, very cooperative, permitting Red Cross convoys and medical and survey teams to pass into Rwanda.

But the magnitude of the tragedy has far outstripped the attention given to it by governments and media outside of Africa. The press, particularly in Western countries, has concentrated on developments in other parts of the world. The International Committee has undertaken to highlight this flagrant shortcoming through diplomatic channels.

The ICRC wants to emphasize that all states concerned have a responsibility to act swiftly in order to end the massacres. In our view, the situation in Rwanda represents a direct threat to the region's peace and security and should be considered as such by the international community.

Abandoning the Rwandan people to their fate would set a dangerous precedent, indicating that the international community tolerates indiscriminate warfare, killing and intolerance of minority groups.

The presence of the United Nations mission in Kigali is essential to maintaining diplomatic efforts to restore peace. The Red Cross presence, and any increase in the delegation's ability to assist the victims, provide a ray of hope in a bleak situation.

It should be remembered, however, that the

present work of the United Nations mission on the one side and the Red Cross on the other is not enough to end the violence.

The UN Security Council statement of 30, which called for a ban on the arms trade with Rwanda, is a timely step in the right direction, but far too little, too late. In our statement, the Security Council is urged to consider the Secretary-General's proposals for more decisive measures.

An arms embargo alone will have little effect, as the country has been the theater of civil war for more than three years. There is no shortage of weapons. More decisive measures are urgently required. Events in Rwanda have been used as a foundation of cooperation with African states threatened by social unrest. Such cooperation, isolationism, inhuman and wrongheaded, condemns the peoples of such states to themselves in a balance in such situations is not universally accepted values, such as solidarity, others, solidarity, legality and peace.

International Herald Tribune

Stop the Serbs With Air Strikes and Arms for Their Adversaries

By Margaret Thatcher

The writer was British prime minister from 1979 to 1990.

NEW YORK — We have been here so many times before in the Balkan saga: acts of barbarism by the Serbs, the mobilization of a shocked international conscience, threats of air strikes — or actual air strikes, of the most limited kind — a tactical Serbian withdrawal, more talks aimed at persuading the warring parties to accept a carving up of territory that rewards aggression.

Then the Serbs move on to yet another Bosnian community, applying the same mixture of violence and intimidation to secure their aim of an ethnically pure Greater Serbia.

The tragedy of Gorazde may for now at least be over. But there are other towns of equal strategic interest on which the Serbs are now free to concentrate their forces.

This week the United Nations intervened to head off a Serbian attempt to expand the Breko corridor in northern Bosnia, but such interventions merely divert Serbian aggression. It is time to halt it — late, but not too late. We have the justification, the interest and the means.

A sovereign state, recognized by the world community, is under attack from forces encouraged and supplied by another power. This is not a civil war but a war of aggression, planned and launched from outside Bosnia although using the Serbian minority within it.

The principle of self-defense precedes and underlies the United Nations Charter. The legitimate government of Bosnia has every right to call upon our assistance in defending its territory. That is ample justification for helping the victims of aggression.

And both the United States and Europe have real and important strategic interests in Bosnia. Let me note four of them.

First, after all that the West, NATO and the United Nations have now said, the credibility of our international stance on every security issue from nuclear nonproliferation to the Middle East is now at stake.

Second, would-be aggressors are waiting to see how we deal with the Serbs. Our weakness in the Balkans would have dangerous and unpredictable consequences in the former Soviet Union, which has Slavic nationalist forces that closely parallel those of Greater Serbianism. And throughout Eastern and Central Eu-

rope there are minorities that aggressive mother-states might be tempted to manipulate to provoke conflict, if that is allowed to pay in the case of Serbia.

Third, Serbia's own ambitions are by no means necessarily limited to Croatia and Bosnia. Kosovo is a powder keg. Macedonia is fragile. Bulgaria, Hungary, Greece, Albania and Turkey all have strong interests that could drag them into a new Balkan war if Serbian expansion and oppression continue unchecked.

Fourth, the floods of refugees that would cross Europe — particularly in the event of

The UN mandate gives NATO full authority for the requisite launching of repeated large-scale air strikes against Serbian military targets wherever these may prove effective.

such a wider conflict — would further inflame extremist tendencies and undermine the stability of Western governments.

The West has the means — the technology and the weapons — to change the balance of military advantage against the aggressor in Bosnia.

Since the start of the Serbian war of aggression, which began in the summer of 1991 in Slovenia, intensified in Croatia and is now consuming Bosnia, I have opposed the sending of ground troops to the former Yugoslavia. But I have said that humanitarian aid without a military response is a misguided policy. Feeding or evacuating the victims rather than helping them resist aggression makes us accomplices as much as good Samaritans. So I have consistently called for action of two sorts:

• Launching air strikes against Serbian forces, communications centers and ammunition

dumps, and lifting the arms embargo on Bosnia and Croatia so that the Muslims and Croats can defend themselves on more equal terms against the Serbs, who inherited the massive armaments of the Yugoslav army.

If such a policy had been pursued when I first proposed it in a New York Times article in the summer of 1991, at a time when Sarajevo and Gorazde were under serious assault, thousands of people would now be alive and in all probability the Milosevic regime in Belgrade would have fallen.

Because this approach was not adopted, we now find ourselves in a far more complex and dangerous situation.

We are trying to defend almost indefensible safe havens. We are maintaining a facade of neutrality when all our decisions are based on the knowledge that the Serbs are the threat, and with a large contingent of UN personnel whom the Serbs may choose to use as hostages.

The new joint effort by Russia and the West to persuade the Serbs to settle for 49 percent of Bosnian territory — down from the 72 percent they have now occupied — is hardly less life with danger. The Serbs will almost certainly not withdraw, and once the guns are quiet, the Russians may not wish them to do so — nor may the West be prepared to revive the threat of bombing to force them.

Even if they were to withdraw, their 49 percent of Bosnia would still represent a reward for aggression.

And in either event, the ensuing peace would be an unjust and fragile one requiring a large contingent of Western — including U.S. — ground troops to enforce it on the victims. If hostilities resume, as is all too likely, these troops would become the target for attack.

So the formula of air strikes and lifting the arms embargo is still the right one to apply.

NATO already has the mandate from the UN Security Council not just to defend UN personnel but to deter attacks on the safe havens. This mandate gives full authority for the requisite launching of repeated large-scale

air strikes against Serbian military targets wherever these may prove effective. The matter for consideration whether the Serbs should go to Serbia itself.

Air strikes are effective, as long as they are not on a small scale, hedged with political hesitations and qualifications. They can have severe and ultimately inescapable effects. But they have to be part of a clear strategy to shift the advantage against the aggressor. The Serbs must know that they will be met with swift and determined action.

Nor may Russian objections be allowed to stand in their way. If the Russians are to support such action, all well and good. But NATO cannot have its policies entirely dictated by Russian sensibilities.

Lifting the arms embargo, as Secretary John Dole and Joseph Biden have courageously proposed (the Senate is to take up the measure this Thursday), is also crucial.

That embargo was imposed before Bosnia and Croatia were internationally recognized, and its legal standing is at least questionable. The United States, Britain and France — or, if necessary, the United States acting alone — should insist that they do not intend to continue with it. Such statements might also be supported by a resolution of the UN General Assembly.

The consideration between Bosnia and Croatia, so skillfully brokered by the United States, now means that supplies of arms will be sent against the common aggressor, not against each other, and that they can easily be shared through Croatia. A well-armed Muslim-Croatian alliance would confront the Serbs with a quite new and unwelcome challenge. It might even prompt the Serbs to settle.

I do not claim that this approach is without dangers. It would require diplomatic and military skills of a high order. It is unlikely to bring immediate peace — although it might. Some disruption of the aid effort is inevitable.

But what the people of Bosnia now need is a permanent peace that allows them to return to their homes and live without fear. What the West needs is to restore its reputation and secure its interests. This is the only way these aims can be realized.

The New York Times.

You Can't Have It Both Ways in Bosnia

By William Pfaff

PARIS — Bosnian Serb forces, blocked at Gorazde by NATO, are moving northward toward the town of Breko, commanding the narrow corridor linking the two main areas in Bosnia held by the Serbs. It is under threat of a Bosnian government offensive, and France proposes that it be made still another UN-NATO protected zone.

The Serbs thus could benefit from the international protection that has done so much for the Muslims of Gorazde and Tuzla, and the Bosnians in Sarajevo — a proposal the Serbs will find cold comfort. The French want to head off what could, in strategic terms, be the most important battle yet in the Yugoslav war.

However, it is a proposal that the United Nations and NATO are probably too feeble and too divided to carry out, even if they chose to try. The UN-proclaimed safe areas that already exist are largely undefended. The Serbs are taking back their heavy weapons from the United Nations at Sarajevo and re-infiltrating the area with relative impunity.

Profound disagreement continues among the Western powers about what to do, especially again last week in the angry exchange between the United Nations' principal official in the former Yugoslavia, Yasushi Akashi, and the U.S. representative at the United Nations, Madeleine Albright. Mr. Akashi said, in effect, that if the United States wants to tell the United Nations how to run its affairs

in Bosnia, it should put its own troops on the line and assume the same risks as the people now in the Protection Force and in UN and civilian refugee and medical organizations. He said that by refusing to do so, Americans reveal themselves to be "timid" and "afraid."

The U.S. ambassador replied, quite properly, that it is not the business of UN officials to criticize the policies of individual governments. But Mr. Akashi not only spoke for the UN people on the ground in Bosnia, taking a steady trickle of casualties from (chiefly) Serbian harassment, but articulated the absurd dilemma that the international community has created for itself in the former Yugoslavia.

It has refused to choose between the two courses of action open to it. The first is where it began: with a program to provide humanitarian assistance to the victims of the war while trying to bring the parties to an armistice and to peace negotiations.

The second is where it rapidly found itself: lending sympathy, and irresolute and ineffectual support, to the victims of aggression, promising to see that justice would be done where criminals punished, people returned to their homes, prewar frontiers restored, civilians protected, etc. Fine words without serious content.

It is impossible to follow both courses at the same time, even when

the second one lacks commitment. The international military force in Yugoslavia is deployed and configured for the humanitarian mission. Its members consequently are vulnerable when the United Nations and NATO make their intermittent stabs at doing justice. When NATO air forces struck Serbian troops at Gorazde, the Serbs promptly arrested or sequestered UN soldiers and private relief workers, and some still are being held.

This contradiction is producing a breakdown in the UN military system in Bosnia, which is losing such tenuous influence as it ever had over the contending forces. It is a contradiction exploited by the Bosnian Serbs and also by the Bosnian government, which wants engagement by the United States and NATO on Bosnia's side.

There has to be a decision, first of all in Washington. There are two possibilities. One is to say that justice must be done, and therefore that the Bosnian victims of aggression must be armed — or at least allowed to arm themselves, which the UN embargo presently forbids — and supported in their effort to eject Serbian forces from territories formerly occupied either by Muslim majorities or by mixed populations.

In that case the humanitarian mission must end and its personnel be pulled out. The United Nations cannot support one side in this way and expect to be treated as a neutral by the other side. The United States cannot support the Bosnians against the Serbs and abandon UN troops and civilians to take the consequences.

Earlier this year the French and British governments were considering withdrawal of their forces. This not only is still an option but could become a necessity. Washington should understand this, and so should the Bosnian government authorities. It will probably happen if the United States supports the Bosnians.

The alternative course is the policy now followed by the European members of the UN Security Council. It searches for settlement at the price of rewarding aggression and doing injustice to the Bosnians. The Bosnians are expected to settle for what they currently can get, which is a territorial division roughly on present lines, in exchange for an armistice, policed by international forces. (The United States has agreed to take part.)

The problem with this is that it is both unjust and implausible. Even if such an agreement were signed, neither side is likely to respect it.

The Serbs determined to consolidate a Greater Serbia have already demonstrated their contempt for international agreements. The Bosnians, both officially and unofficially, say they will never give up the strug-



Bill Chamberlain

gle to recover what they have lost. In the end there may be no real choice. The only real settlement may be the one arrived at through war. The international community may simply have to get out of the way.

The Western powers may have

only the choice between backing the Bosnians or abandoning them — and everyone else in the former Yugoslavia — to whatever fate they make for themselves.

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IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1894: Fight Against Vice

PARIS — M. Berenger, the French Senator who has become famous for his crusade against vice and immorality in Paris, undeterred by the satire, in prose and verse, which is continually directed against him, goes steadily on with his work. M. Berenger rightly considers that youths and children have a right to protection in the streets. He demands surveillance at the doors of the schools and colleges, where dealers in obscene pictures continually await the children who are entering and leaving, and offer them their nauseous wares. This is not all. He wishes to put down all those who make a profit out of the immorality of the public, such as proprietors of cafes and brasseries which are frequented by women.

1919: Defortifying Paris

PARIS — A number of Paris Municipal Councilors will witness this morning [May 5] the removal of the

first sod in the work of dismantling the useless and antiquated "fortifications" of Paris. The work, however, began before this ceremonial visit. A hundred navies were hard at work yesterday at the Porte de Vincennes, and already quite a respectable quantity of material has found its way from the top of the wall into the moat below.

1944: A Soviet Warning

LONDON — [From our New York edition.] Russia today [May 5] warned Germany's shaky satellites, Finland, Romania, Hungary and Bulgaria, they must turn and fight the Germans as a demonstration of their faith in the Allies and to save themselves from further destruction. The Soviet warning, broadcast by the Moscow radio, was regarded here as a last minute effort on the eve of the next Russian offensive, and possibly the invasion of western Europe, to break up Germany's satellite forces in eastern Europe.

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OPINION

Advice to Clinton: The Less Said...

By E. J. Dionne Jr.

WASHINGTON — The United States is at peace and faces no immediate, credible military threat. Russia is a little cooler toward the United States than it was, but is hardly an enemy and has so far avoided the catastrophes many predicted. Peace talks in the Middle East inch forward, and apartheid is dead in South Africa. In world trade talks, the United States has gotten a lot of what it wanted and the trading system remains broadly open under very difficult circumstances.

And President Bill Clinton's foreign policy is rated a failure. He is being sharply criticized not just by political opponents and foreign policy specialists but by the American people. A Gallup Poll last week, for example, found that the proportion of respondents rating Mr. Clinton as "an effective world leader" had tumbled 9 points since January, to 41 percent. Fully 55 percent of Americans say that Mr. Clinton is not an effective world leader.

More than perceptions are involved here. Mr. Clinton's problems in foreign policy are rooted in the fact that many of his strongest foreign policy statements during the 1992 campaign do not square with what he was actually willing to do in office. He has not been able to bring current events into line with past words. His efforts to use more words to rationalize the two have made matters worse.

The point of Mr. Clinton's campaign foreign policy was to make sure foreign policy would not become an issue at all, since he knew that he could beat Mr. Bush on domestic issues. Because Democrats suffered in presidential elections when they were successfully branded as "weak," Mr. Clinton had to look strong. Because they were often accused of being "isolationist," he had to look internationalist. Because Democrats were said to be afraid of using military power, he had to show he would carry a big stick.

So he embraced huge chunks of Mr. Bush's foreign policy — the popular parts like victory in the Gulf War — and positioned himself to Mr. Bush's activist side on a handful of key issues.

Mr. Clinton criticized Mr. Bush for turning back Haitian refugees and promised to help bring democracy back to Jean-Bertrand Aristide's country. On Bosnia, Mr. Clinton was careful to talk about his fear of a "quagmire," words he now relies on as proof that he never promised substantial U.S. intervention. But Mr. Clinton's listeners during the campaign could be forgiven for getting a different impression. He spoke in 1992 of "doing whatever it takes to stop the slaughter of civilians" and insisted that "we cannot afford to ignore what appears to be a deliberate and systematic extermination of human beings based on their ethnic origin." He attacked Mr. Bush for giving "short shrift to the yearnings of those seeking freedom in Slovenia, Croatia

and Bosnia" and for ignoring "the warning signs" that the Serbian leader Slobodan Milosevic "was emerging as one of Europe's bloodiest tyrants."

On China, he said that Mr. Bush had "failed to stand up for our values" and pledged "to link China's trading privileges to its human rights record."

There was nothing particularly wrong with Mr. Clinton's campaign foreign policy. But his promise of activism abroad was bound to clash with his pledge to devote himself overwhelmingly to domestic policy — which is what he was elected to do. Once in office, Mr. Clinton was unwilling to take the risks that his bolder campaign pronouncements implied.

His pledge to let in the Haitian refugees went by the boards even before he became president. On other issues, Mr. Clinton tried to talk his way around his difficulties. That was a big mistake. In domestic policy, words can be a soothing balm and ease divisions. In foreign policy, words are incendiary. They amount to commitments or threats which, when not acted upon, bring only grief to the one who speaks them and render future declarations suspect.

On Bosnia, Mr. Clinton wanted to keep the moral high ground by speaking against Serbian aggression and promising more help to the Muslims. In practice, Mr. Clinton showed that he was willing to back off and use European reluctance to escalate as an excuse. In Haiti, Mr. Clinton sent troops steaming toward the island to back his strong words on behalf of

democracy, then pulled them back when a small mob gathered on the shore.

Mr. Clinton's defenders are not without arguments to make. On many big things — Russia and the Middle East — Mr. Clinton has done reasonably well. He is far from alone in having trouble coming up with clear policies for a muddy post-Cold War world. Mr. Bush's policy toward the former Yugoslavia was a failure; the Europeans have little to be proud of there, either. And it is easier for critics to clamor for intervention in any one place — say, Bosnia or Haiti — than for a president to adjudicate among all the conflicting demands for the use of American force, and then make the case for intervention to a country that mostly prefers to stay home.

But the sheer difficulties of the choices Mr. Clinton faces are not an excuse for compounding them with ill-considered pledges he cannot keep. Characteristically, Mr. Clinton tried to improve his foreign policy standing on Tuesday with a "global news conference." Words, again. He admitted that he has had to "back and fill" at times, but argued that his foreign policy troubles stemmed from his willingness to deal with "very difficult issues which do not have an easy solution."

True enough. But Mr. Clinton's successes would loom larger — and the need to "back and fill" would be less raised — if he had not repeatedly raised and then lowered expectations for action in those spheres of foreign policy where both he and his country are ambivalent about what to do.

The Washington Post.

When Victims Boast of Their Victimhood the Better to Victimize

By Flora Lewis

NEW YORK — The principle of making sure that long-repressed minorities need no longer suffer discrimination has been established now that, as can happen to good principles, it has become subject to perversion.

This comes not only in the jaw-breaking locutions of "politically correct" speech and the condescensions of "multicultural" aesthetics, but in the

The damage to relations between blacks and Jews is a serious loss for the comity of American society.

new American exaltation of the status of victim. Victimhood, even by association with bygone victims, confers a claim to the privilege of breaking the very rules against discrimination and bigotry that were meant to wipe it out.

It has shuffled categories in a mindless way. Minorities ain't what they used to be. In order to demonstrate compliance with civil rights laws and social standards, employers again ask questions that had been forbidden in the interest of fairness.

Thus, U.S. government departments and big companies list minority workers. The forms provide for noting whether a person is black, Hispanic, Asian, Native American. Even women rank as a minority. Jews do not.

Everybody knows, but nobody seems to notice, that Jews have become honorary WASPs, the out-of-fashion acronym for White Anglo-Saxon Protestants presumed to be the dominating majority. I pointed this out to an editor who snorted. "There was never any affirmative action for Jews."

That is true. There wasn't any affirmative action for anybody until a little over a generation ago. But there were quotas, quotas not intended to assure opportunity but to set a limit beyond which there was exclusion. Harvard, Princeton, Yale, all the "best" schools had them. And there were bans — clubs and companies that would not take Jews as they would not take blacks and women. This has been overcome. But it has not ended Jew-baiting: it has simply changed who presumes the right to indulge in it. It is a peculiar, and ugly, evolution. The most notorious example is the vicious ranting

of Khalid Abdul Muhammad, who speaks to college audiences for the Nation of Islam. The worst is not just his open incitement to hate and violence, but the enthusiastic cheers and applause he elicits from large black audiences.

He has made himself a celebrity in this way, sought after and well paid. The Canadian government recently denied him entry to the country for speaking engagements at the University of Toronto on the ground that he could be expected to violate Canadian laws against hate-crime. That is his stock in trade.

His success reflects, however, a much more widespread degradation in the relations between American black and Jewish communities, which used to cooperate in the fight against discrimination. That is a serious loss for the comity of American society.

There are more subtle perversions in the practice of who qualifies for the compensating benefits of victimhood, thereby establishing that employers are observing anti-discrimination rules. People cannot be compelled to answer the questionnaire, so the forms instruct the personnel officer to go by "visual evidence" if they refuse to say. Of course, there are borderline cases, people of mixed origin, people who do not choose to be

categorized. When that happens, I was told by representatives of the government and of a big private company, the rule of thumb is to take the person's word for his or her status.

But it only works in one direction, self-promotion out of the minority into the vague ostensible majority. I happen to know, because my son provided an example of the barrier against the other way. Because he was born in Mexico and anyway chafed at the questionnaire, he mischievously put down Mexican-American when he had to fill out a form.

He was severely reprimanded and punished for quite a long time by his employer. His idea of wit, he was told, risked undermining the whole reporting system and showed irresponsibility.

It is a strength of America that people can be proud of their diverse ancestry and of being American at the same time. Half a century after the United States refused to admit more than a small number of European Jews to save them from the Holocaust, it is a credit that those who live in America have now become so fully accepted. But there is a new kind of shame in the habit of making victimhood something to boast about with the privilege of vilifying.

Flora Lewis.

LETTERS TO THE EDITOR

Nixon: Hero and Villain

Regarding "Someone Tell the Villains: He Was Chosen President" (Opinion, May 3) by Anthony Lewis:

Mr. Lewis, in first, deifying personal attacks upon President Bill Clinton and then gratuitously accusing President Richard Nixon of "engaging in tactics of smear" and "injecting bile into public life," is practicing a virulent form of that which he preaches against.

By attempting to categorize all those who attack the president and his wife on other than policy grounds as "bigots," "rumor peddlers," and "verging on clinical hysteria," he also smears citizens who would hold any occupier of the White House to reasonable standards of fidelity, veracity and integrity. There is an argument that the private lives of political leaders should not be taken into account when judging them. But such an argument is the very stuff of sophistry.

JOHN W. WOOD, London.

The writer is international vice chairman of Republicans Abroad.

Richard Nixon's "Southern strategy" institutionalized the Republican Party's embrace of the Southern segregationist under the banner of states rights. His law-and-order theme, directed at the shamefaced racism of the Northern suburbanite, made a (dubious) racist subtext respectable in national campaigns. Even if President Nixon's administrations were "remarkably liberal," his un-

scrupulous and irresponsible political tactics permanently undermined the credibility of the country's leadership along the most serious fault line of national life. So while I do not advocate speaking ill of the dead, I cannot pretend that Mr. Nixon's political legacy is worthy of the respectful silence with which we usually pass over statesman's failings.

TRACY ELLIS, Paris.

William Safire is certainly right ("How to Sum Up Nixon? An Inspiring Resilience," April 26): Richard Nixon does deserve an epithet. "He was always explaining something" might do, but "he made racism respectable again" might do better. It was Mr. Nixon's Southern strategy, after all, that made appeals to fear and hatred — what we now know as Willy Hortonism — an apparently permanent part of the Republican campaign arsenal. Mr. Safire should know; he was there.

ARTHUR LINDLEY, Singapore.

Regarding "Nixon's 'Peace' Strategy Had a Heavy Price in Blood" (Opinion, April 30) by Neil Sheehan:

Thank you, Mr. Sheehan, for setting the record straight. I was beginning to doubt my own memory about Richard Nixon after the plethora of eulogies. This was a great president? This man whose entire political life was geared to the furthering of his own career at whatever cost? If a Japanese politician had so

dishonored himself and his country, he would have committed hara-ki.

Still, after all the platitudinous tributes and falsifications of the past days, I have to admire Mr. Nixon for managing to bamboozle the public again, to perfect an image as Nixon the sufferer, Nixon the comeback kid, Nixon the international sage. That he should try to do so was normal; that he succeeded was a disgrace — our disgrace this time.

ROBERT SCHOLTEN, Paris.

Should we now forgive and forget? No! To do so is to invite a repeat of history. Nor should we allow William Safire to rewrite history, making Mr. Nixon into some kind of beloved father figure. He wasn't. He came closer to destroying American freedoms than any other force in modern history. That is the true legacy of Richard Nixon.

JOHN ALLAN, Himeji, Japan.

In 1975, I was a student at the University of California at Los Angeles. It was not long after the Watergate affair and the resignation of President Richard Nixon. I felt so sad for him.

Although I was only a young student from Thailand, I wanted humbly to show him he was thought of in a special way. I wrote him a letter, asking whether I might come visit. Three weeks later I received an invitation to San Clemente. May 9, 1975, was a warm and dry day.

I arrived at the "Western White House" half an hour early and was escorted to Mr. Nixon's office by the U.S. Coast Guard Service, which continued to protect the premises.

I entered the secretary's office and suddenly Mr. Nixon walked in and greeted me. He invited me into his office. He made me feel very much at ease, almost as if I were visiting an uncle. We sat and talked for an hour and 15 minutes. One of the first things he said to me was that "life is nothing without challenges." He emphasized that one should always stand out in life and must "never blend into the walls."

He told me how nervous he had felt before he first visited Leonid Brezhnev in the Kremlin; he had not slept well the night before. In a lighter moment, he told me he had visited 101 countries. I told him I had only been to 72.

We took pictures together and then went for a walk near the shining Pacific. It was a day I shall forever remember. Now that he is gone, I feel an important sense of loss. He experienced the greatest victory, and then an equally great sense of pain. What remained with him throughout 81 years was his incredible inner strength. He was a person with a warm and caring heart.

KANTATHI SUPHAMONGKHON, Bangkok.

The writer is director of the policy and planning division of the Thailand Ministry of Foreign Affairs.

About the Ambassador

Regarding "Pamela Harriman Biography Focuses on Famous Men in Her Life" (April 28) by Harsha Sherrill:

It astounds and saddens me that a serious newspaper would give front-page space to what at best is a bad book review. The tabloid treatment given non-story is offensive and disappointing. Pamela Harriman has proven herself an able ambassador and should be given the respect that the International Herald Tribune normally gives people of her stature.

PHYLLIS MORGAN, Paris.

The first time I saw Pamela Harriman, the U.S. ambassador to France, I wanted to form my own impression of a woman said to have lived the exciting sort of life that most only dream about. What I encountered then and the two other times I encountered her was a woman who not only fulfills her duties but gives far more time and energy than required by her job, a woman who by her presence, bearing and looks exudes class, grace and humor.

OLGA URRUTIA BRUNO, Paris.

One would expect to see an article like this in a supermarket tabloid, not on the front page of a well-respected, prestigious newspaper such as yours. Ambassador Harriman has proven

herself as a capable representative of the United States to France.

R. VIRTUE, Paris.

The Critic Got It Right

Regarding "A Food Critic Plays the 'Honesty' Card" (Features, April 25) by Christopher Petkanas:

The article takes the food critic Gilles Pudlowski to task for his "protectionist and hinkered slandering of America," and says that it makes Mr. Pudlowski seem "small and silly." To thus insult Mr. Pudlowski, an acknowledged food critic, Mr. Petkanas must consider himself to be an even greater critic.

In fact, Mr. Pudlowski is not alone in his views. Almost everyone who lives in Europe finds American food disgusting.

JOHN MACRIS, London.

Mischievous Vandalism

Regarding "Another Canning by Singapore" (April 25) by Philip Shenon:

The article quotes the allegation of an anonymous diplomat that Singapore practiced a double standard because the police had classified a case where a car was spray-painted as mischief instead of as vandalism, which carries a caning sentence. But in Singapore, it is standard police practice to initially classify an isolated incident in which private property is defaced by paint as mischief under the penal code. If related incidents later surface to show a pattern of indiscriminate

hooliganism, the police will reclassify the case as vandalism.

This happened both in the case involving Michael Fay and in the case highlighted by Mr. Shenon.

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Page 1

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The Pain Is Quite Real

Regarding "Spare the Contempt, Please, for Suicide Is Not Painless" (Opinion, April 21) by Anna Quindlen:

When I was in my early twenties, I was highly motivated, in perfect health, and my puppies were going away. But every night I got into bed and prayed to a God I didn't believe in to let me die mercifully as I slept, so I wouldn't have to face another day of psychic agony. My father, in good faith, sent me to the family doctor, who told me my fears were "sophomoric" and advised me to stop drinking coffee late at night.

Finally, after two years, like a fog, the depression lifted. I still don't know what caused this black hole in my life. Fortunately, I never had the courage to try suicide. But anyone who has suffered from acute depression will tell you that there is no difference between the cancer patient who wishes to die because he is convinced the agony will never abate and the depressive who chooses suicide.

MARTIN AMADA, Roquebrune, France.

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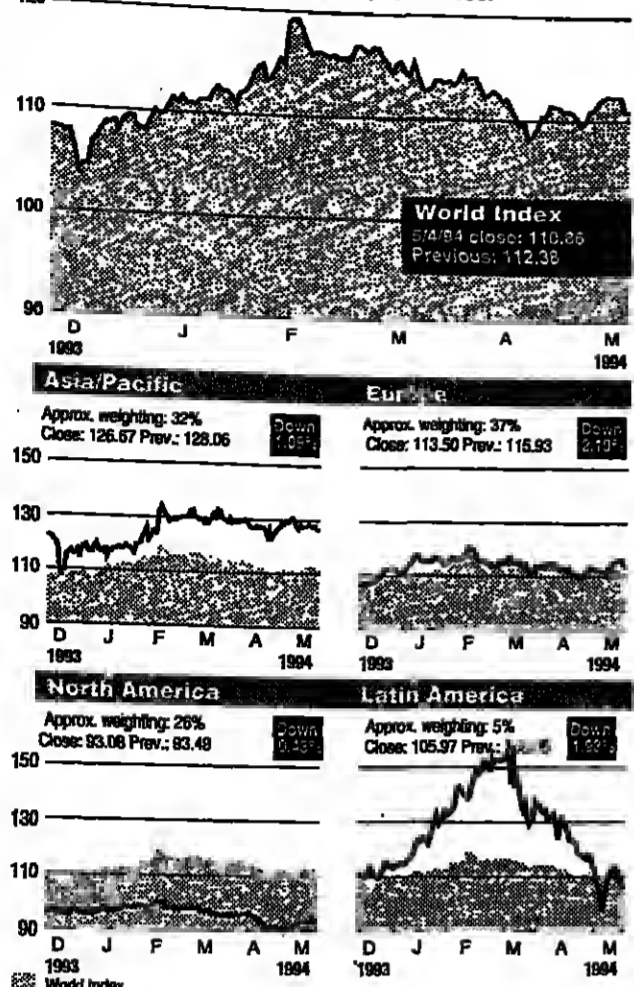
EBEL
the architects of time

International Herald Tribune, Thursday, May 5, 1994

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THE TRIB INDEX: 110.86

International Herald Tribune World Stock Index, composed of 280 internationally investable stocks from 25 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and Amsterdam, Australia, Belgium, Brazil, Canada, France, Germany, Hong Kong, Italy, Japan, Korea, Mexico, Netherlands, Norway, Singapore, Spain, Sweden, Switzerland, and Venezuela. For Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization, otherwise the top 100 issues are tracked.

Industrial Sectors	1994	1993	% Change
Energy	108.66	110.02	-1.24
Utilities	116.91	118.98	-1.75
Finance	114.91	116.72	-1.55
Services	115.00	116.75	-0.99
Capital Goods	112.00	113.46	-0.43
Raw Materials	123.51	125.25	-1.39
Consumer Goods	99.10	99.70	-1.60
Miscellaneous	123.31	125.33	-1.61

For more information about the index, a booklet is available free of charge. Write to Trib Index, 181 Avenue Charles de Gaulle, 92021 Neuilly Cedex, France.

Scandals Weigh on Spain's Markets

Compiled by Our Staff From Dispatches
MADRID — Spanish bonds, stocks and the peseta all fell sharply Wednesday, hit by rumors of a debt-rating downgrade triggered in turn by a chain of corruption cases shaking the government.

The peseta fell through a support level of 82 to the mark and the 10-year government bond widened its differential over the German Bund to more than 300 basis points for the first time in nearly a year.

Traders said the losses had been set in motion by rumors that Moody's Investors Service Inc. and Standard & Poor's Corp. were lowering the country's debt rating. Both agencies denied they had made any changes to Spain's sovereign rating or put the country on their special watch list.

Political scandals involving former officials of the Bank of Spain and the country's police force have shaken the markets in recent days and made foreign investors nervous about the stability of the government.

"The worst thing about all this is that the markets are left at the mercy of rumors and nobody knows what's going on," an analyst said.

Interior Minister Antoni Asunción appeared before a parliamentary committee Wednesday to explain the disappearance of the former head of the Civil Guard, Luis Roldán, who is wanted on embezzlement charges.

Next week, Mr. González will answer questions in Parliament on the case, which led Mr.

Asunción to submit his resignation Saturday. "I want to express the government's strong desire to get to the bottom of this," he said to the committee. But he offered no news of the whereabouts of Mr. Roldán, who failed to turn up in court last week.

The security forces' failure to find Mr. Roldán, who has given a lengthy interview to

rise in the yield of Spain's 10-year bonds to their highest level for seven months, while shares hovered at their lows for the year.

While European bond yields generally have risen in recent months, the rise in Spanish yields has outstripped other markets in the past weeks as details of the political scandal emerged. Ten-year bonds on the Barcelona exchange have dropped almost three points in a week to trade as low as 94.60, well below the year's high of 107.09 reached Jan. 31.

"It seems like we've got the political uncertainty and corruption scandals that we're used to seeing in Italy," said Kiri Shah, market strategist at First National Bank of Chicago. "And it seems to be on a larger scale than expected."

The Spanish stock market has also taken a beating as investors bail out. The General Index of leading stocks in Madrid fell 2.63 percent to a reading of 311.09 after it had posted a drop of 1.25 percent on Tuesday.

"The market will continue to be very tense," said Marco Pirelli, analyst at Nomura International. "People are waiting for the next revelation of political corruption to undermine González."

Local elections in southern Spain, traditionally a Socialist stronghold, are scheduled for June 12. If the ruling party fares badly, the government's troubles will begin to look even more serious, calling into question key economic policies such as labor-market reforms.

(Reuters, Bloomberg)

U.S. Economy Is Expanding, Fed Report Says

Compiled by Our Staff From Dispatches
WASHINGTON — The U.S. economy is growing solidly in most of the country, the Federal Reserve Board said Wednesday in its so-called Tan Book report on regional economic activity.

The report showed that economic growth gathered pace in the spring after two months of exceptionally severe winter weather. It offered a much stronger assessment of the economy's vigor than last spring, when only moderate expansion was reported.

Expansion is being driven by robust factory production, home building and retail sales, the report said.

"It looks like a pickup after a rough winter," said economist Cynthia Latta of DRI/McGraw Hill Inc. in Lexington, Massachusetts. "Business is running along pretty strongly, and I wouldn't really look for any weak spots until summer, when we may see some slowdown in housing."

Price rises were restrained by competition, the report said, an encouraging sign that inflation was under control so far.

"It's more evidence the economy is on a brisk growth path and that so far the inflation genie is being kept in the bottle," said Robert Dederick, an economist with Northern Trust in Chicago.

Separately, the Commerce Department said factory orders shot up in March by 1.1 percent to a seasonally adjusted \$274.7 billion — more than double Wall Street

economists' expectations for a 0.5 percent increase in business. Orders fell 0.3 percent in February.

The Fed survey, which covers the period until the end of April and is more current than the Commerce Department report, also said business was booming in the manufacturing sector.

"Production of autos, vehicle parts, steel and building materials is near capacity," the report said. The report will form the basis for discussion when the Fed's Open Market Committee meets May 17 to decide whether to raise interest rates again. The Fed has raised the rate on overnight loans among banks three times since January in an effort to prevent inflation from accelerating as the economy grows.

But the policy-making committee should find few signs of inflation in Wednesday's report, analysts said.

The report said improving weather in March fueled retail sales, with apparel sales particularly strong. Auto sales also were strong.

Although mortgage rates have crept higher, "home sales activity is reported brisk in most parts of the country and improving in the Northeast and California," the report said. Concern that home mortgage rates have already bottomed drew many potential buyers off the sidelines and into the market, the report said.

(Reuters, AP, Knight-Ridder, Bloomberg)

Philips NV Seeks to Expand in Media

Compiled by Our Staff From Dispatches
EINDHOVEN, Netherlands — Declaring an interest in expansion in the media business, Philips Electronics NV said Wednesday that it might issue new shares this year if it needed cash to finance a major acquisition.

"We have made the decision that we wish to grow in media, and this has to be via acquisitions, with the object of adding value," said Dudley Eustace, Philips' chief financial officer.

"We are prepared to spend, but we are not prepared to spend at any price," Mr. Eustace spoke at a news conference after the presentation of Philips' first-quarter results. He said the company had budgeted 3 billion guilders (\$2 billion) for capital expenditure this year and ear-

marked an undefined amount for acquisitions.

Philips will remain active in capital markets, Mr. Eustace said, as it converts substantial chunks of short-term debt to longer maturities.

Philips is already active in the media sector. It owns 75 percent of music and film company Polygram NV and has a business unit that produces interactive media products. That unit, however, is still in its infancy and is unprofitable.

Philips' profit in the first quarter came in at the high end of analysts' forecasts, helped by lower debt and an unexpected improvement in the consumer electronics division.

Net profit soared 152 percent to 260 million guilders, from 103 million guilders in the depressed first quarter of 1993. The company made no forecast for the year, say-

ing it was cautious about the rate of earnings improvement because of lower consumer spending in Europe.

Sales fell to 13.65 billion guilders from 13.75 billion because of a number of divestments. Philips sold its stakes in Matsushita Electronics Corp. and the video rental chain Super Club last year. On a comparable basis, sales were slightly higher, Mr. Eustace said.

"The results are very good, very solid," said Kevin Bran, an analyst with Credit Suisse First Boston who tracks international electronics companies.

As with many other multinational companies that have reported sharply higher first-quarter earnings in recent weeks, Philips' profits were helped more by cost-cutting than by economic recovery in Europe, analysts said.

(Bloomberg, Reuters)

Kluge's LDDS Bids \$2 Billion for WitTel

Bloomberg Business News
TULSA, Oklahoma — LDDS Communications Inc., the fast-growing telecommunications company headed by the billionaire John Kluge, has offered \$2 billion in cash or stock for rival WitTel Communications.

Shares of Williams Cos., parent of WitTel, rose almost 13 percent on the news.

The "alternative offers" for WitTel were disclosed Tuesday in a filing by LDDS with the Securities and Exchange Commission. The purchase price would be \$2 billion minus WitTel's debt, Williams Cos. said in a statement.

LDDS, the fourth-largest long-distance service company in the United States, is a WitTel customer. It is currently negotiating a new long-term contract for services, said Williams Cos., an operator of pipelines and natural gas gathering and processing systems. WitTel provides both telecommunications and services, and acts as a carrier for other long-distance providers.

Williams shares rose \$3.375 Wednesday, to \$28.875, and LDDS was up 25 cents, at \$23.25. Trading volume in Williams was nearly 2 million shares, about four times its recent daily average.

Keith Bailey, Williams' president and chief executive, said the LDDS offer "will be taken into consideration along with a number of other alternatives."

These included continued ownership of WitTel, alliances with nine or more partners, a spin-off of WitTel to Williams shareholders, and the issuance of a targeted stock.

WitTel, created in 1985 by a Williams pipeline unit, had revenue of \$958 million last year. Williams' total revenue was \$2.43 billion. Last month, LDDS President and chief executive Bernard Ebbers told investors the company plans to continue making acquisitions.

(Bloomberg, Reuters)

López Perjury Inquiry Is Dropped

Reuters
BONN — Prosecutors in Hamburg on Wednesday dropped an investigation of the Volkswagen production chief, José Ignacio López de Arriortua, for possible perjury after he agreed to pay 75,000 Deutsche marks (\$46,000) to charity.

But German and U.S. prosecutors will continue to investigate more serious industrial espionage allegations against Mr. López by his former employer, General Motors Corp.

The U.S. vehicle maker alleges that his associates took confidential information with them when they left GM to join VW last year. Mr. López, VW's purchasing and production manager, and Volkswagen deny the allegations.

The Hamburg public prosecutor's office said Mr. López had agreed to pay the 75,000 DM to a charity for handicapped children.

"There was sufficient suspicion against the accused," a statement from the office said, "of negligently making false and incomplete statements" on two points.

These concerned his possession of a draft sketch and photographs of the new Vectra model developed by the rival carmaker Adam Opel AG, GM's German subsidiary.

However, the scope of Mr. López's guilt in the matter could be regarded as minor, according to the prosecutor's statement.

VW stressed that although Mr. López would pay the money to charity, he had not been officially charged with any offense.

"Mr. López had wanted the case to proceed and thereby clear his name but agreed to settle in the interest of the company," the German car group said.

Last week, prosecutors in Darmstadt said they had found evidence suggesting that VW managers had been in possession of documents and computer disks belonging to Opel, some of which were classified as secret, when they changed jobs last year.

But the prosecutors said they could not decide whether to file charges against Mr. López until investigations were completed.

(Reuters, Bloomberg, AFP)

INTERNATIONAL MANAGER

A Trucker Branches Out

By Simon Bradwell

Reuters
WELLINGTON — Graeme Hart, an entrepreneur truck driver turned multimillionaire bookseller, is unlikely to remain a passive investor in the Australian grocery retailer Foodlands Ltd., analysts said Wednesday.

Mr. Hart bought a 15 percent stake in Foodlands last week through a share swap, and analysts saw the purchase as a likely first step toward a longer-term goal, figuring he was unlikely to be satisfied with a passive stake in the Australian company.

"It's been said that he's not seeking any management control," an analyst said. "That seems very strange to me."

Aside from the obvious retail connection, the move is seen as a departure for Mr. Hart from his core business, Whitcoulls Ltd., which operates book and stationery stores.

Mr. Hart, 38, who has risen in four years from relative anonymity to become one of New Zealand's richest men, was not available for comment.

He made his name as an opportunist entrepreneur by buying the Government Printing Office from the government in 1990 for 23 million New Zealand dollars (\$13 million). The price was described by analysts at the time as a steal. A later government inquiry confirmed it was far too low.

In 1991, Mr. Hart, through his holding company Rank Group, bought the Whitcoulls chain of book and stationery retailers from Brierley Investments Ltd. for 71 million dollars. For the second half of 1993, Whitcoulls reported a net profit of 13.7 million dollars, almost double the year-earlier result.

Analysts said Mr. Hart could be interested in Foodlands' New Zealand department-store chain, Farmers DeKa.

"He's been looking at Farmers DeKa for at least a year," an analyst said. "Two years ago he tried to buy Farmers and just missed, so I imagine he's still interested. It does seem strange if he's just going to sit on 15 percent."

The most likely opportunity for Mr. Hart to pick up the Farmers chain would come if Foodlands is the subject of a takeover, in which case his 15 percent might prove leverage enough to secure what he wants.

"You can paint any number of scenarios, but really it hangs on someone wanting to come in and pull F&L apart," another analyst said. "With its price where it is, it's really open to that."

Foodlands shares traded at 5.02 Australian dollars (US\$3.55) Wednesday, down from 5.10 Tuesday and well below the year's high of 8.00.

Share prices fell after the resignation of David Fawcett as chief executive. Mr. Fawcett quit in a dispute over board restructuring and amid doubts over Foodlands' ability to become the third force in the Australian grocery market after Coles Myer and Woolworths.

Hong Kong-based Dairy Farm International Holdings, the retail and food arm of Jardine Matheson Group, is seen as a candidate to take over Foodlands.

The market is also in the dark as to Mr. Hart's intentions with his flagship company, Whitcoulls. In taking his stake in Foodlands, he essentially swapped holdings with Sydney-based NRMA Investments, which now holds 13.9 million shares of Whitcoulls, or 13.2 percent.

Whitcoulls also spent 34 million Australian dollars to acquire the Angus & Robertson bookstore chain last December, and bought London Books for 20 million New Zealand dollars.

Some analysts said Mr. Hart's retention of the majority holding in Whitcoulls was indicative of his commitment to the group.

CURRENCY & INTEREST RATES

May 4

Eurocurrency Deposits

Cross Rates

	£	D.M.	F.F.	Lira	D.P.T.	S.F.S.	¥	₡	Pesos	Suiza
Australian dollar	1.65	2.75	1.722	0.372	0.116	—	24.19	1.05	1.38	5.28
British pound	1.00	16.45	25.48	0.080	0.032	—	—	—	—	—
Canadian dollar	1.00	1.165	25.88	0.080	0.032	—	—	—	—	—
French franc	1.00	2.467	—	0.077	0.030	—	—	—	—	—
German mark	1.00	—	1.936	0.007	0.048	—	—	—	—	—
Japanese yen	1.00	3.40	1.572	2.623	0.001	—	21.28	21.28	1.00	36.2
New Zealand dollar	1.00	1.695	2.60	0.372	0.116	—	24.19	1.05	1.38	5.28
Portuguese escudo	1.00	20.48	11.20	0.246	0.131	—	—	—	—	—
Spanish peseta	1.00	16.48	16.48	0.080	0.032	—	—	—	—	—
Swedish krona	1.00	2.467	2.467	0.077	0.030	—	—	—	—	—
Swiss franc	1.00	1.936	1.936	0.007	0.048	—	—	—	—	—
Taiwan dollar	1.00	20.48	11.20	0.246	0.131	—	—	—	—	—
Thai baht	1.00	16.48	16.48	0.080	0.032	—	—	—	—	—
U.S. dollar	1.00	1.00	1.00	1.00	1.00	—	—	—	—	—
South African rand	1.00	2.00	2.00	0.50	0.20	—	—	—	—	—
South Korean won	1.00	200.0	200.0	20.0	8.0	—	—	—	—	—
Chinese yuan	1.00	2.00	2.00	0.50	0.20	—	—	—	—	—
Indonesian rupiah	1.00	1.00	1.00	1.00	1.00	—	—	—	—	—
Malaysian ringgit	1.00	2.00	2.00	0.50	0.20	—	—	—	—	—
Singapore dollar	1.00	2.00	2.00	0.50	0.20	—	—	—	—	—
Philippine peso	1.00	2.00	2.00	0.50	0.20	—	—	—	—	—
Thai baht	1.00	2.00	2.00	0.50	0.20	—	—	—	—	—
U.S. dollar	1.00	1.00	1.00	1.00	1.00	—	—	—	—	—
South African rand	1.00	2.00	2.00	0.50	0.20	—	—	—	—	—
South Korean won	1.00	200.0	200.0	20.0	8.0	—	—	—	—	—
Chinese yuan	1.00	2.00	2.00	0.50	0.20	—	—	—	—	—
Indonesian rupiah	1.00	1.00	1.00	1.00	1.00	—	—	—	—	—
Malaysian ringgit	1.00	2.00	2.00	0.50	0.20	—	—	—	—	—
Singapore dollar	1.00	2.00	2.00	0.50	0.20	—	—	—	—	—
Philippine peso	1.00	2.00	2.00	0.50	0.20	—	—	—	—	—
Thai baht	1.00	2.00	2.00	0.50	0.20	—	—	—	—	—
U.S. dollar	1.00	1.00	1.00	1.00	1.00	—	—	—	—	—
South African rand	1.00	2.00	2.00	0.50	0.20	—	—	—	—	—
South Korean won	1.00	200.0	200.0	20.0	8.0	—	—	—	—	—
Chinese yuan	1.00	2.00	2.00	0.50	0.20	—	—	—	—	—
Indonesian rupiah	1.00	1.00	1.00	1.00	1.00	—	—	—	—	—
Malaysian ringgit	1.00	2.00	2.00	0.50	0.20	—	—	—	—	—
Singapore dollar	1.00	2.00	2.00	0.50	0.20	—	—	—	—	—
Philippine peso	1.00	2.00	2.00	0.50	0.20	—	—	—	—	—
Thai baht	1.00	2.00	2.00	0.50	0.20	—	—	—	—	—
U.S. dollar	1.00	1.00	1.00	1.00	1.00	—	—	—	—	—
South African rand	1.00	2.00	2.00	0.50	0.20	—	—	—	—	—
South Korean won	1.00	200.0	200.0	20.0	8.0	—	—	—	—	—
Chinese yuan	1.00	2.00	2.00	0.50	0.20	—	—	—	—	—
Indonesian rupiah	1.00	1.00	1.00	1.00	1.00	—	—	—	—	—
Malaysian ringgit	1.00	2.00	2.00	0.50	0.20	—	—	—	—	—
Singapore dollar	1.00	2.00	2.00	0.50	0.20	—	—	—	—	—
Philippine peso	1.00	2.00	2.00	0.50	0.20	—	—	—	—	—
Thai baht	1.00	2.00	2.00	0.50	0.20	—	—	—	—	—
U.S. dollar	1.00	1.00	1.00	1.00	1.00	—	—	—	—	—
South African rand	1.00	2.00	2.00	0.50	0.20	—	—	—	—	—
South Korean won	1.00	200.0	200.0	20.0	8.0	—	—	—	—	—
Chinese yuan	1.00	2.00	2.00	0.50	0.20	—	—	—	—	—
Indonesian rupiah	1.00	1.00	1.00	1.00	1.00	—	—	—	—	—
Malaysian ringgit	1.00	2.00	2.00	0.50	0.20	—	—	—	—	—
Singapore dollar	1.00	2.00	2.00	0.50	0.20	—	—	—	—	—
Philippine peso	1.00	2.00	2.00	0.50	0.20	—	—	—	—	—
Thai baht	1.00	2.00	2.00	0.50	0.20	—	—	—	—	—
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Chinese yuan	1.00	2.00	2.00	0.50	0.20	—	—	—	—	—
Indonesian rupiah	1.00	1.00	1.00	1.00	1.00	—	—	—	—	—
Malaysian ringgit	1.00	2.00	2.00	0.50	0.20	—	—	—	—	—
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Philippine peso	1.00	2.00	2.00	0.50	0.20	—	—	—	—	—
Thai baht	1.00	2.00	2.00	0.50	0.20	—	—	—	—	—
U.S. dollar	1.00	1.00	1.00	1.00	1.00	—	—	—	—	—
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Indonesian rupiah	1.00	1.00	1.00	1.00	1.00	—	—	—	—	—
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Singapore dollar	1.00	2.00	2.00	0.50	0.20	—	—	—	—	—
Philippine peso	1.00	2.00	2.00	0.50	0.20	—	—	—	—	—
Thai baht	1.00	2.00	2.00	0.50	0.20	—	—	—	—	—
U.S. dollar	1.00	1.00	1.00	1.00	1.00	—	—	—	—	—
South African rand	1.00	2.00	2.00	0.50	0.20	—	—	—	—	—
South Korean won	1.00	200.0	200.0	20.0	8.0	—	—	—	—	—
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Singapore dollar	1.00	2.00	2.00	0.50	0.20	—	—	—	—	—
Philippine peso	1.00	2.00	2.00	0.50	0.20	—	—	—	—	—
Thai baht	1.00	2.00	2.00	0.50	0.20	—	—	—	—	—
U.S. dollar	1.00	1.00	1.00	1.00	1.00	—	—	—	—	—
South African rand	1.00	2.00	2.00	0.50	0.20	—	—	—	—	—
South Korean won	1.00	200.0	200.0	20.0	8.0	—	—	—	—	—
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U.S. dollar	1.00	1.00	1.00	1.00	1.00	—	—	—	—	—
South African rand	1.00	2.00	2.00	0.50	0.20	—	—	—	—	—
South Korean won	1.00	200.0	200.0	20.0	8.0	—	—	—	—	—
Chinese yuan	1.00	2.00	2.00	0.50	0.20	—	—	—	—	—
Indonesian rupiah	1.00	1.00	1.00	1.00	1.00	—	—	—	—	—
Malaysian ringgit	1.00	2.00	2.00	0.50	0.20	—	—	—	—	—
Singapore dollar	1.00	2.00	2.00	0.50	0.20	—	—	—	—	—
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Thai baht	1.00	2.00	2.00	0.50	0.20	—	—	—	—	—
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South African rand	1.00	2.00	2.00	0.50	0.20	—	—	—	—	—
South Korean won	1.00	200.0	200.0	20.0	8.0	—	—	—	—	—
Chinese yuan	1.00	2.00	2.00	0.50	0.20	—	—	—	—	—
Indonesian rupiah	1.00	1.00	1.00	1.00	1.00	—	—	—	—	—

MARKET DIARY

Precarious Dollar
Burdens Stocks

Compiled by Our Staff From Dispatches

NEW YORK — Stock prices slid Wednesday on concerns that persistent weakness in the dollar would pull funds away from dollar-denominated assets.

The Dow Jones industrial average closed down 16.66 points at 3,697.75. Declining issues outpaced

U.S. Stocks

advancing stocks by a 4-to-3 margin on the New York Stock Exchange.

Stock investors were discouraged by the fact that repeated intervention by central banks was necessary to support the dollar against the Deutsche mark and yen.

Recent weakness in Treasury bond prices and the resultant higher yields also dampened buying enthusiasm. The price of the benchmark 30-year Treasury bond edged up 4.33 points to 87, with the yield slipping to 7.33 percent from 7.35 percent.

But yields have been trending higher this week, and strong economic data released Tuesday spurred sentiment that the Federal Reserve Board may raise interest

rates again soon as a preemptive strike against inflation. The Fed has already nudged rates up three times this year.

Takeover talk continued to influence stock trading. A widespread belief that further consolidation is ahead for the drug and health care sector and speculation about acquisitions concerning other companies have affected trading in recent days.

Syntex was the most actively traded stock on the Big Board for a second straight day, drawing interest from news this week that Roche Holding would acquire the drugmaker for \$5.3 billion. Syntex finished steady at 23 1/2.

Time Warner shares slipped 1/4 to 39 1/2, buoyed for a second day by speculation that the company's largest shareholder was planning to increase its stake, possibly in preparation for a takeover bid.

Broderbund Software rose 3/4 to 44 1/2, continuing to draw support from its decision Tuesday to call off a merger with Electronic Arts, a maker of video software. Electronic Arts fell 1 1/2 to 18 1/2.

(A.P. Bloomberg)

The Dow

Daily closings of the Dow Jones industrial average

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Dow Jones Averages

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Australia Launches Jobs Plan

Compiled by Our Staff From Dispatches
SYDNEY — Prime Minister Paul Keating announced Wednesday a \$5.4 billion Australian dollar (\$US\$4.63 billion) program to help get the country's 900,000 unemployed people back to work.

Mr. Keating described the four-year package, which caused sharp drops in major Australian markets, as the "most profound reform of Australia's labor market and social security provision since World War II."

The Sydney All-Ordinary Index of shares fell 1.3 percent to close at 2,018.4 points.

The yield on the 10-year government bond surged to a 16-month high of 8.78 percent, up from 8.49 percent Tuesday. The Australian dollar was quoted in late trading at 70.50 U.S. cents, down more than half a cent from Tuesday.

"It's an absolute debacle today," Damian Hennessy, an investment manager at HSBC Investment Management, said. "What's tipped it over the edge," he said, were signs of rising government spending.

The bulk of the cost of the plan would finance an ambitious program to guarantee a job to all people who had been unemployed for more than 18 months. Assistance would be stopped only if they refused to accept reasonable job offers.

The package, announced just six days before the country's next budget is to be outlined, aims to reduce unemployment to 5 percent by the end of the decade from current levels of more than 10 percent.

Australia's economy grew about 4 percent in 1993, and the number of jobs has grown by 230,000 since April 1993. But official data show that the adjusted unemployment rate in March still stood at 10.3 percent, representing 902,700 people.

The package fulfilled Mr. Keating's election promise, made last year, to help the unemployed.

Employers would be offered incentives to take on the long-term unemployed, with a subsidy of 200 dollars for each employee for the first 13 weeks, 100 dollars for the next 26 weeks and a bonus of 500 dollars for retaining workers after a year.

The government said outlays would be "consistent with our target of a deficit of around 1 percent of gross domestic product by 1996 and 1997," adding that the budget is "well set up" to return to surplus later in the decade.

(AFP, AFX, Bloomberg)

MANILA — Philippine stocks recorded their biggest gain of the year Wednesday, as Philippine Long Distance Telephone Co. broke out of a prolonged slump.

The Philippine Stock Exchange closed at 3,064.05 points, up 4.29 percent. PLDT finished at 1,995 pesos (\$74), up 8 percent.

PLDT's surge was triggered by a government announcement Monday that, in line with a plan to end PLDT's monopoly, awarded remaining telephone service area contracts to competitors.

The announcement focused investors on telecommunications stocks and highlighted PLDT's strength, analysts said.

Meanwhile, stocks in Hong Kong plunged Wednesday, as the blue-chip Hang Seng Index dropped to a 1994 low of 8,359.41, down 3.6 percent.

Brokers cited a list of reasons for the bearish mood in Hong Kong, ranging from talk that Chinese patriarch Deng Xiaoping was mortally ill, to the postponement of a large equity offering by India's telecommunications monopoly.

(Bloomberg, Reuters)

Richard Li's Firm To Take Control Of Seapower Asia

Bloomberg Business News
HONG KONG — Richard Li, the founder and former head of the Asian regional satellite broadcaster STAR TV, announced Wednesday he planned to take a controlling interest in Seapower Asia Investment, a financial-services, real-estate and hotel concern that is listed on the Singapore stock exchange.

Mr. Li, the 27-year-old son of Li Ka-shing, a major Hong Kong investor, is making the investment through his Pacific Century Group. Pacific Century said it was buying all or parts of the 45.8 percent of Seapower Asia. It has no stake in the company at present.

Richard Li set up Pacific Century with part of the \$325 million received from the sale of 63.6 percent of STAR TV to News Corp. in July 1993. Pacific Century said that it bought all the 45.8 percent stake, it would make a general takeover offer for Seapower Asia as required by Singapore rules.

Kia Aims for Worldwide Car Sales

Reuters
ASAN, South Korea — Kia Motors Corp., which started life as a humble bicycle manufacturer, is now approaching its goal of becoming a major force in the world car market by the end of the century.

Kia, South Korea's largest carmaker after Hyundai Motor Co., has embarked on a \$6 billion dollar expansion plan.

Han Seung Joon, Kia's president, said the company planned to double its production capacity before 2000.

"Expansion is necessary to survive and grow," he said. "We hope to become one of the world's top 10 producers by then."

Kia was founded in 1944 by Kim Chul Ho, an engineer at a Japanese steel-processing company, toward the end of Japan's

occupation of Korea. Mr. Kim, whose personal mission was to implant industrial machinery in impoverished South Korea, made bicycle parts until 1952, when he and his 50 employees made the country's first complete bicycle.

Thirty years later, working with Japan's Mazda Motor Corp., Kia turned out its first passenger sedan. An additional technical tie-up with Ford Motor Co. in 1986 led to the largely homegrown Sephia and Sportage passenger cars.

"Sportage is uniquely designed to attract foreign buyers," said Lee Dong Ki, a car industry analyst at Barclays de Zoete Wedd. "Kia's partners — Ford and Mazda — are lined up to sell the model in Australia, Taiwan and Japan."

Sepia, meanwhile, is targeted at the upscale domestic market.

It is with these and future models that Kia aims to make its big splash overseas. Analysts say the company stands a good chance of success.

Koh Young Jong, senior analyst at the Korea Automobile Manufacturers' Association, says Kia's design and overall performance compared favorably with any in the world.

"In quality and price, Kia's Sportage and Sepia are very attractive," he said.

The aim of the \$6 billion expansion program is to establish a world market share because of a sharp slump in overall domestic demand, from an annual increase of about 40 percent in the late 1980s to 18 percent last year.

Kia said it was negotiating with Rover Group PLC of Britain to jointly develop a large gasoline engine for sedans. A Kia official

said the two companies were expected to sign the contract before the end of June to produce engines of 2,000 and 2,500 cubic centimeters.

He said Kia also wanted eventually to develop diesel engines for passenger cars in cooperation with Rover, which has been taken over by the German carmaker Bayerische Motoren Werke AG.

Last year Kia accused Samsung Co., South Korea's largest conglomerate, of planning a hostile takeover. Instead, Samsung announced last month it had entered the automobile industry, not by trying to take over Kia, but by going into partnership with Japan's Nissan Motor Co.

Kia's exports were 158,415 units last year, 26 percent of its total sales of 600,986 units. It plans to increase exports by 61 percent this year.

China Scraps Licenses to Import Oil

Compiled by Our Staff From Dispatches
BEIJING — China has canceled all licenses to import crude oil and refined products to try to combat what it called "chaotic" prices, traders in East Asia said Wednesday.

Chinese authorities have told holders of import licenses that the licenses are no longer valid and that they must reapply for the right to bring oil or oil products into the country, the traders said.

A spokesman for the State Planning Commission confirmed that the government was considering "administrative measures" to control the oil market, but he did not say what those measures might be.

"At present, the prices on China's oil product markets are not reasonable and relatively chaotic," the spokesman said. "The government is implementing reforms for the circulation of crude and finished oil products according to the demands of the socialist market economy and will take administrative measures on crude oil which are now in the process of being set."

Traders said the commission would issue new import licenses but that the paperwork could take several weeks to process.

Other traders said price ceilings have been mentioned.

China is a net exporter of petroleum products. In 1990, the most recent year for which data are available, China imported \$1.05 billion of petroleum products and exported \$4.47 billion. (Bloomberg, Reuters, Knight-Ridder)

Ssangyong Oil Challenges Seoul on Price Controls

Knight-Ridder
SEOUL — Ssangyong Oil Refining Co.'s surprise move to cut its gasoline delivery price has upset government officials, who worry that cutthroat competition among local oil companies could threaten the recently introduced petroleum-pricing system.

The government is expected to put strong pressure on the company to conform to industry standards to prevent an unraveling of the structure of domestic and international prices. The current pricing system favors industrial development at the expense of private consumption.

The Ministry of Trade, Energy and Industry, which controls petroleum product prices,

cannot openly require Ssangyong Oil not to undercut the competition at the retail level, because lowering prices is not against the law.

Oil firms have traditionally sold gasoline at the government-set ceiling prices in order to maximize profits.

The controversy was set off last week when Ssangyong Oil, one of five local oil companies, reduced its gasoline price by 15 to 20 won (about 2 to 2.5 cents) from the government-set ceiling price of 614 won a liter for the April 15-May 14 period.

"The price cut is to benefit our customers," a Ssangyong spokesman said. "And we also hope to expand our market share."

Ssangyong is currently ranked third in do-

mestic market share with 12.2 percent, far behind Yukong Ltd.'s 39 percent and Hanjin Oil Refining Co.'s 30 percent.

"The government doesn't approve of Ssangyong's move," a ministry official said. "This might result in cutthroat competition, which is not good."

The company's unilateral price cut may prompt the government to speed up price liberalization, according to industrial and government sources.

In fact, the government may accelerate the lifting of controls. Oil price liberalization is one part of a planned deregulation of most aspects of the South Korean economy by the end of 1997.

Tokyo Investors Hitch a Ride With Ford via Mazda

By Andrew Pollack
New York Times Service

TOKYO — Investors in Japan have been placing their bets on Ford Motor Co. in a novel way. They are bidding up the shares of Mazda Motor Corp., the ailing Japanese automaker of which Ford owns about 25 percent.

Japan's automobile industry is experiencing its worst slump since World War II, and Mazda is one of the sickest of the companies. Its sales in Japan last year plunged at twice the rate of the market as a whole. The Hiroshima-based company is expected to report a loss of 45 billion yen (\$445 million) for the year that ended March 31, and the losses are expected to continue for at least another year.

But Mazda's stock has risen more than 30 percent since its low point of 397 yen in January. It closed Monday, ahead of this week's three-day market holiday, unchanged

at 528 yen. What has propelled the stock is the belief that Ford, which went through its own restructuring in the 1980s to become one of the world's most successful automakers, will now work the same magic on Mazda.

Ford shares, meanwhile, have risen 10 just above \$60 from about \$55 just two weeks ago.

"It looks like Ford is taking a strong hand in leading Mazda down the recovery path," said Peter Boardman, auto analyst for UBS Securities, who has recommended Mazda.

Enda Clarke of Baring Securities in Tokyo has recommended Mazda as a "speculative" buy. "We feel that with the influence of Ford, Mazda will be taking steps in restructuring beyond what the other manufacturers are doing," he said.

Three Ford executives have been working this year in senior positions at Mazda. Ford is expected to include Mazda in the global

rationalization of its operations announced recently. If the companies increase their sharing of parts and automobiles, it would lower Mazda's costs.

Mr. Boardman of UBS said Mazda expanded its product line too much during the boom of the 1980s, straining its resources. But now the company is expected to cut by half the number of basic models it makes. He said Mazda has also announced a 13 percent reduction in its workforce by March 1996, compared with cuts of 3 percent for Toyota Motor Corp. and Honda Motor Co., and 9 percent for the unprofitable Nissan Motor Co.

"This year and next year there's going to be a snowballing effect from their rationalization," he said. He predicted Mazda would return to profitability in the year that ends in March 1996.

Other analysts were far more pessimistic and said it was too early to buy the stock. The

recovery will take "a very, very long time," said Masaru Kato of Morgan Stanley & Co.

"At over 500 yen, you're paying a very large premium just betting on what Ford will do," said Jonathan Dobson, analyst with Jardine Fleming Securities. "Mazda has three problems, and Ford is addressing only one of them," he added.

One of the problems not being addressed, he said, is that Mazda has five dealer chains in Japan, far too many to be supported by its meager sales. The third problem is that Mazda produces relatively few of its cars outside Japan, compared with the other major Japanese companies.

Meanwhile, the overall auto market in Japan remains weak. Sales in April fell 6.6 percent from a year before, defying expectations that sales would increase because of a reduction in the sales tax that took effect at the beginning of the month.

Investor's Asia

Hong Kong Hang Seng	Singapore Straits Times	Tokyo Nikkei 225
1000	200	2000
1200	250	2500
1400	300	3000
1600	350	3500
1800	400	4000
2000	450	4500
2200	500	5000
2400	550	5500
2600	600	6000
2800	650	6500
3000	700	7000
3200	750	7500
3400	800	8000
3600	850	8500
3800	900	9000
4000	950	9500
4200	1000	10000
4400	1050	10500
4600	1100	11000
4800	1150	11500
5000	1200	12000
5200	1250	12500
5400	1300	13000
5600	1350	13500
5800	1400	14000
6000	1450	14500
6200	1500	15000
6400	1550	15500
6600	1600	16000
6800	1650	16500
7000	1700	17000
7200	1750	17500
7400	1800	18000
7600	1850	18500
7800	1900	19000
8000	1950	19500
8200	2000	20000
8400	2050	20500
8600	2100	21000
8800	2150	21500
9000	2200	22000
9200	2250	22500
9400	2300	23000
9600	2350	23500
9800	2400	24000
10000	2450	24500
10200	2500	25000
10400	2550	25500
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11800	2900	29000
12000	2950	29500
12200	3000	30000
12400	3050	30500
12600	3100	31000
12800	3150	31500
13000	3200	32000
13200	3250	32500
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17200	4250	42500
17400	4300	43000
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24600	6100	61000
24800	6150	61500
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25200	6250	62500
25400	6300	63000
25600	6350	63500
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26400	6550	65500
26600	6600	66000
26800	6650	66500
27000	6700	67000
27200	6750	67500
27400	6800	68000
27600	6850	68500
27800	6900	69000
28000	6950	69500
28200	7000	70000
28400	7050	70500
28600	7100	71000
28800	7150	71500
29000	7200	72000
29200	7250	72500
29400	7300	73000
29600	7350	73500
29800	7400	74000
30000	7450	74500
30200	7500	75000
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30800	7650	76500
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31400	7800	78000
31600	7850	78500
31800	7900	79000
32000	7950	79500
32200	8000	80000
32400	8050	80500
32600	8100	81000
32800	8150	81500
33000	8200	82000
33200	8250	82500
33400	8300	83000
33600	8350	83500
33800	8400	84000
34000	8450	84500
34200	8500	85000
34400	8550	85500
34600	8600	86000
34800	8650	86500
35000	8700	87000
35200	8750	87500
35400	8800	88000
35600	8850	88500

May 4, 1994

May 4, 1994

d DM Global Growth	13M	14.00	d Dreyfus America Fund	5	21.64
d Smaller Companies	5	13.21	f DVT Performance Fd	5	102.78
d American	5	10.59	m Dynasty Fund	5	1.59
d For East	5	14.05	es Overseas Fund Ltd	5	14.48.00
d European Markets	5	14.01	m Life World Fund Ltd	5P	930.15

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ECONOMIC AUSTERITY KEY TO CU SUCCESS

Tunc Giller, Turkey's prime minister, is in the lead. Steering her country into full customs union with Europe is fraught with potential difficulties.

How have you introduced a comprehensive austerity package? Is now the right time to add to industry's woes by cutting into customs union?

The package was essential to establish macroeconomic stability. It is obvious that the more Turkey corrects economic imbalances, the more it will benefit from the advantages of CU and the less it will suffer from its negative effects. The economic package will, in the very nature, phase out the problems that could have disrupted the efficiency of CU.

Are there any circumstances in which customs union might go ahead?

It is impossible to draw up logical scenarios in which the union would be the case. An overwhelming majority of the population is in favor of CU, provided that it serves Turkey's ultimate goal of full integration into the EU. Even those entrepreneurs whose businesses will face the fiercest competition here, that it will be beneficial for Turkey's interest in the long run.

What about the timing of the union?

Discussions with our European partners, both at the political and technical levels, are now at a technical stage. The political dimension has already been confirmed in the association council meeting of November 1992 and 1993. Technical assistance is being provided by the European Commission to Turkey and the EU, with a view to the technical union. Strong belief is that there should be no obstacles on the way to the completion of the CU as long as the ultimate aim of Turkey's full integration in the European Union is held steadily on both sides.

Is the government confident that it is speaking for Turkish industry in CU negotiations?

Although negotiations for the completion of the CU are being carried out by the Turkish state, we know that the ultimate success of CU depends on the private sector, with which we are in close contact. We keep the private sector informed and assist it in its positions. Remember, this is not a new issue for Turkey. Most of our well-established companies have already developed their own strategies and plans for 1995. I am confident that small and medium-sized enterprises, with their high levels of flexibility, will be able to prepare themselves as well.

Are there going to be losing and winning industrial sectors after CU and if so, will the government step in to help the losers?

We do not envisage a general system of compensation for "losing" sectors or companies, since this in itself is a hard task to prove. Technical negotiations with the EU are aimed at highlighting some sectors that will need support. The government will continue to monitor the situation.

What is the government's role in the CU negotiations?

Turkey is the only country in the world that needs the union as a condition for its economic and political survival. The union is a condition for the economic and political survival of Turkey. The challenge for the year 1995 is to meet the conditions for deepening this relationship to the benefit of all our people.

BANKING AHEAD IN COMPLYING WITH EU NORMS

Turkey's banking sector is the country's most advanced in complying with European Union norms, most bankers based in Turkey would agree.

This applies not only to regulatory reform, but also to technical and market sophistication, where great strides have been made since the early 1980s. In recent years, banks have invested so much in automation that the manager of one leading institution claims it is equal to, if not better than, many European counterparts.

Advances include automated teller machines (ATMs), telephone banking, credit cards and point-of-sale terminals. Credit cards have mushroomed since their widespread introduction in the late 1980s. All this is in response to and is attracting a more discerning customer, who is looking for service and is not bound by traditional loyalties.

Although the state sector lags somewhat behind the private sector, it too, with government encouragement, has established much

stronger financial foundations during the past decade and has introduced far more transparency in revealing its operations.

Banks have made the sometimes painful adjustment of complying with the minimum capital adequacy ratio of 8 percent set by a phased operation ending in 1992 and have modeled their operations on the guidelines set by the Basel-based Bank of International Settlements.

Some are comfortably in excess of this. An end-1992 ratio of about 14.6 percent was established at state-owned Ziraat Bankasi, according to Coskun Ulusoy, the bank's chairman and general manager.

Free competition in trade, particularly of manufactured goods and processed foods, is the main purpose of the customs union, but banking is covered among other services in an additional protocol. Last year, the government introduced by decree amendments to the banking law designed to bring the sector into line with the EU's Second Banking Directive.

Although the decree has



Istanbul's stock market: Banking reforms are one favorable economic development.

been invalidated by a case in the Constitutional Court, few doubt that the government will push its provisions through parliament before the six-month grace-period granted by the court expires on June 22.

The decree's main provisions are the following: to distinguish between development and investment banking; remove the distinction between foreign and domestic institutions; introduce far greater freedom for the establishment of new branches; increase lending

ratios to net worth to 20 percent from 10 percent for any one transaction, while permitting 25 percent in priority areas like exports and projects.

The decree also tightens up limits on equity participations and real-estate holdings to make banks sell unprofitable subsidiaries or assets, contracts permitted levels of non-cash credits and raises the minimum paid-up capital level to 250 billion Turkish lire (\$37 million) from 50 billion Turkish lire. Bankers are generally in

favor of the reforms. "They are useful," says Unal Korukcu, general manager of Is Bankasi. "We had some difficulties with the limitation on participations, but we have come up to 1999 to continue the adjustments."

His institution has around 5 trillion Turkish lire in participations, which in general are performing well. Despite the crisis, for example, the bank is continuing to invest in glassmaker Sise Cam, the largest industrial organization in Turkey.

The decree also recog-

nizes that the problem of Turkey being overbranched is past after a decade of streamlining, according to Ozer Guney, general manager of Eskişehir Bankasi (Esbank).

But the decree's most important provision is to strengthen the treasury's powers of intervention against banks threatened by insolvency. The treasury demonstrated its new teeth when it moved in April to ban the ailing TYT Bank from banking operations.

Jim Bodgener

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From an interview with Burhan Karagam,
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CYPRUS: LARGE STAKES FOR A SMALL ISLAND

When the Berlin Wall crumbled, the artificial divisions of a small island somewhere in the Mediterranean looked like just the sort of problem the New World Order should have been able to solve with one hand tied behind its back.

In the gloom that has accompanied the collapse of the former Yugoslavia, an ethnic conflict in which no one actually gets killed might seem a sleeping dog best left undisturbed. Yet Cyprus is not a problem that will disappear — certainly not for Turkish policymakers.

They have been forced to meet a real price tag in continued economic and military support for a state they alone recognize. More important, Turkey is paying a less-easily-calculated cost in damaged relations with its Western allies.

Cyprus is soon to observe the 20th anniversary of de facto partition. A current 12-point set of UN-sponsored confidence-building measures, designed to soften antagonism between the Turkish north and the Hellenic south, are struggling to get off the ground.

In separate meetings with both the Greek and Turkish prime ministers last month, U.S. President Bill Clinton urged both sides to get on with the job of edging toward a settlement. For both Europe and the United States, Cyprus imposes an uncomfortable test.

Since Greece joined the EU, Cyprus has been a glass through which Europe sees Turkey darkly. The EU has posted an official observer to oversee progress on talks that it sees as a precondition for political rapprochement and for the freeing of the notorious Fourth Financial Protocol — some 600 million Ecu pledged long ago to soften the blow of customs union.

One of the very attractions of customs union for Turkey is that it allows the country to upgrade its relations with Brussels under already existing treaty regulations and beyond the reach of a Greek veto. Of the new proposals, the most important are those that would give Hellenic Cypriots access to Varosha, the potential holiday resort that is now a fenced-off wasteland. The Turks would be able to use Nicosia airport for direct access to the outside world.

Ankara is currently deciding whether to back Northern Cypriot objections to amendments to the already agreed draft of confidence-building measures that would give away Varosha before the airport facilities are complete. The Greek side also wants control of land access to Varosha, and objects to an immigration arrangement in the airport that would imply recognition of the North.

The bickering may well continue until the incentives for cooperation outweigh the impulse toward political intransigence.

A.F.

SPORTS

Brazil Mourns As Hero Returns

Compiled by Our Staff From Dispatches

SAO PAULO — Brazilians packed the streets here Wednesday for a glimpse of the flag-draped coffin of their beloved Ayrton Senna, whose body had been brought home to be buried with the honors of a national hero.

The coffin bearing the three-time Formula One driving champion arrived from Paris as dawn was breaking and was met at Cumbica airport by crowds of mourners, who wept and applauded softly as the coffin was carried off the plane. "Senna was more than the king of racing. He was a god," said Hugo Mendes Pacheco, who drove 22 hours from southern Brazil. "Senna was more than the king of racing. He was a god."

Military police estimated that a million people lined the route through Sao Paulo, which is Brazil's largest city with a population of 15 million. Streets and overpasses were a mass of people as a fire truck carried the flag-draped coffin along a 25-mile (40-kilometer) route to the state legislature, where it was to lie in state until burial Thursday. More than 2,000 policemen were deployed to keep order.

Confetti rained down from office buildings as the fire truck drove through downtown, accompanied by a state police honor guard and thousands of cars, motorcycles and bicycles. Many people waved Brazilian flags with a black sash and held up signs in Portuguese saying "Thanks Senna" and "Good-Bye Senna."

Major TV networks interrupted their regular programming to show the arrival of Senna's coffin and the funeral cortege.

At the legislature, the line began to form on Tuesday. By early Wednesday it stretched nearly a mile through downtown Sao Paulo. Several people were carried away by firemen or police after fainting outside the building.

Inside, the main hall was bedecked with dozens of floral wreaths with banners in English and Portuguese.

The family was to hold a short religious service presided by an evangelist minister before opening the hall to visitors.

Senna was to be buried Thursday morning in a local cemetery that will be closed to the public for the day.

Charles Marzanosco, a spokesman for the Senna family, said that among the racing celebrities who were to attend were Jackie Stewart, Gerhard Berger, Emerson Fittipaldi and Alain Prost, as well as the owner of the Williams team, Frank Williams, and the McLaren team's Ron Dennis.

President Itamar Franco declared three days of national mourning and ordered flags flown at half staff. He also decreed that Senna posthumously receive the Grand Cross of Merit, one of Brazil's highest awards.

Fellow driver Christian Fittipaldi, who crashed at the same track on Tuesday to pay their last respects to the man considered one of the best Formula One drivers in history.

"I am convinced the accident was caused by a mechanical failure. Something has to be done about car and track safety," said Fittipaldi of the Arrows team.

"We race to compete, not to die," (AP, AFP, Reuters)

The measures that were equipped appeared to be ones intended to avoid a recurrence of the pit lane accident that occurred at Imola when a wheel flew off the Minardi-Ford driven by Michele Alboreto and hit five mechanics. They were not seriously injured.

FIA said these new safety measures would be instituted at Monza.

Entries into and exits from the pits will be controlled by a slight curve to force cars to reduce their speeds.

No one will be allowed on the driving surface of the pit lanes except those directly involved in working on race cars at the time.

A draw will be arranged to determine in advance the order in which cars will make their pit stops. Stops made out of the designated order will be limited to emergencies and cars will not be allowed to take on fuel or new tires then.

"It's the same what happens in Monaco," Mosley said. "I don't think anyone can be worried about Monaco. It's a special circuit."

He said that FIA also wanted to take further steps to ensure spectator safety after several people in the crowd at Imola were injured by debris flung into the stands by an accident on the starting grid.

Mosley said higher fencing would be considered, although the fencing at the track in Italy was already almost four meters high.

Mosley fiercely denied allegations, such as those by the former world champion Alain Prost, that FIA had turned a deaf ear to driver complaints about safety. FIA, he said, has constantly worked to improve safety and has actively sought input from the Formula One drivers, who had mostly proved too busy to offer their help.

The French Open starts May 23, with the women's final on June 4, the men's on June 5.

Eric Debickler, a coach affiliated with the French Tennis Federation, said Court A played much like Centre Court, but needed a few weeks to "break in" and become "faster."

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Max Mosley, FIA's president: "After five accidents this past weekend, including two deaths, one must be careful not to overreact."

RACING:

Steps to Safety

Continued from Page 1

crashed during a qualification run after his car suddenly lost traction. The initial hypothesis is that a front wing on the car was weakened when he went off the track on a previous lap. He, too, crashed at about 300 kilometers an hour.

FIA said it would take urgent steps to cut the speed of Formula One cars. It did not announce how, although one of the most favored methods appeared to be the introduction of a system to restrict the rate at which fuel enters the engine, thus limiting power.

But doing that in a sport built on power and speed is sure to run into opposition.

The federation also said it would consider fitting cars with air bags and introducing other measures to restrict the head movements of drivers, protecting them from the sort of injuries that killed Senna and Ratzenberger.

Both the Ferrari driver Jean Alesi and the Benetton driver J.J. Lehto had neck vertebrae crushed in similar accidents during private test runs earlier in the season. The protective cell of a cockpit is so solid that it is only the neck of the driver that absorbs the shock of a crash.

Mosley said several other possible responses — including the cancellation of the Monaco Grand Prix, on May 15 or even the whole season — were ruled out at the special meeting.

The measures that were equipped appeared to be ones intended to avoid a recurrence of the pit lane accident that occurred at Imola when a wheel flew off the Minardi-Ford driven by Michele Alboreto and hit five mechanics. They were not seriously injured.

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A draw will be arranged to determine in advance the order in which cars will make their pit stops. Stops made out of the designated order will be limited to emergencies and cars will not be allowed to take on fuel or new tires then.

"It's the same what happens in Monaco," Mosley said. "I don't think anyone can be worried about Monaco. It's a special circuit."

He said that FIA also wanted to take further steps to ensure spectator safety after several people in the crowd at Imola were injured by debris flung into the stands by an accident on the starting grid.

Mosley said higher fencing would be considered, although the fencing at the track in Italy was already almost four meters high.

Mosley fiercely denied allegations, such as those by the former world champion Alain Prost, that FIA had turned a deaf ear to driver complaints about safety. FIA, he said, has constantly worked to improve safety and has actively sought input from the Formula One drivers, who had mostly proved too busy to offer their help.

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Arsenal Upsets Parma, 1-0, to Win Cup Title

The Associated Press

COPENHAGEN — Alan Smith's goal early in the first half Wednesday night proved to be the winner as Arsenal upset defending champion Parma, 1-0, in the final of the Cup Winners' Cup soccer tournament.

Smith, the London team's lone frontman in the game, capitalized on a mistake by Parma sweeper and captain Lorenzo Minotti to score in the 19th minute.

Smith picked up Minotti's sloppy pass inside the penalty area and fired home a shot past goalkeeper Luca Bucci.

More than 12,000 singing Arsenal fans, many dressed in their team's colors of red and white, celebrated the victory at the Parken, Denmark's new national stadium.

Parma, which finished fifth in the Italian league standings last weekend, was trying to become the first team to win successive titles in the prestigious tournament.

Its loss ended Italy's chances of sweeping the three major European club tournaments this season. Inter Milan leads Austria Salzburg going

into the second leg of the UEFA Cup final and powerhouse AC Milan meets Barcelona in the Champions Cup final this month in Athens.

Parma, which beat Milan in the SuperCup finals in February, started well and was unlucky when Swedish midfielder Tomas Brodin hit the post with 14 minutes gone.

Brodin, who scored three goals for Parma en route to the Cup Winners' Cup final, had also headed a ball just over the crossbar four minutes into the match.

Brodin dominated the midfield for Parma for most of the match. But Colombian striker Faustino Asprilla, who missed last year's final at Wembley because of an injury, had a disappointing game against Arsenal's tough defense.

In the second half, Parma struggled and for the most part put little pressure on the English team.

Alessandro Melli, who came in as a substitute for Gabriele Pin in the 71st minute, had a goal disallowed for offside in the last minute.

Arsenal was missing several injured key players, among them Danish midfielder John Jensen, who had been injured here last month while playing for Denmark in a friendly against Hungary.

And star striker Ian Wright was suspended after being booked for the second time in the semifinals against Paris St. Germain. That got him an automatic one-match ban.

Earlier in the day, six persons identified as British fans were arrested with forged bank notes and stolen credit cards, while six others escaped after robbing a watch shop, police said.

The six, who were otherwise not identified, would be charged with forgery and fraud, a police spokesman said. The six had attempted to change false £20 notes and tried to use stolen credit cards, he said.

In another case, he said, "A group of six British soccer fans entered a watch shop and stole 20 watches worth up to 80,000 kroner," or about \$12,300. No one was arrested.

"It's mainly the British fans who create problems," the spokesman said. "The Italians are more quiet."

It was estimated that more than 12,000 British fans and 9,000 from Italy had come to the Danish capital to watch the final at the Parken Stadium. Police called in massive reinforcements to restrain possible violence.

U.S. Upsets Russia, Sweden Also Gains Semifinals

But Americans Lose Top Scorer to Drug Test

The Associated Press

MILAN (AP) — Team USA, fired up by Canadian allegations that Russia had taken a dive earlier in the week in order to play the supposedly weaker Americans, stunned the hosts of the Soviet hockey machine with a 3-1 victory Wednesday night in the quarterfinals of the World Ice Hockey Championship.

It was the first time an American hockey team had beaten the Russians or their predecessors in an international match since the famous victory in 1980 at the Lake Placid Olympics, when the United States won the gold.

In a later match, Olympic champion Sweden blew past Italy, 7-2. Italy held off the Swedes until 17:16 when

Fredrik Stellan took a pass in the air and batted it into the net at 17:16 of the first period to open the scoring, but by 9:52 into the second the Swedes had poured on four more goals.

In Saturday's semifinals, Sweden faces the winner of Thursday's Canada-Czech Republic match. The United States will play the winner of the Finland-Austria quarterfinal. But not without top scorer Bill Lindsay.

After Wednesday's game, the International Ice Hockey Federation said Lindsay had failed a drug test for ephedrine, which the team said existed in tiny amounts in an over-the-counter vitamin supplement the Florida Panthers' player was taking. He was banned for the rest of the tournament.

Craig Janney of the St. Louis Blues assisted Quebec's Scott Young on two goals in the second period to propel the Americans into the semifinals.

Russia failed to capitalize on five power plays, stymied throughout by a brilliant performance by goalie Guy Herbert of the Anaheim Mighty Ducks. He had 53 saves, compared to 25 for Anaheim teammate Mikhail Shtalenkov. Both are coached at Anaheim by Ron Wilson, who is the coach of Team USA.

"Our motivation tonight was that we honestly believed the Russians allowed Canada to win by pulling their goalie in the third period," Wilson said of Russia's 3-1 loss in the preliminary rounds.

In this game, the Russians looked sluggish and far unlike the team that played Canada brilliantly for two periods.

Bruins and Rangers Take 2-0 Leads in Semis

The Associated Press

The Boston Bruins and New York Rangers both have 2-0 leads in their Eastern Conference semifinal series. The Bruins have a little better, though, as they head home while the Rangers go on the road.

Don Sweeney's goal 0:08 into overtime Tuesday night gave the Bruins a 6-5 victory over the New Jersey Devils.

With that best-of-7 series that resumes on Thursday night in Boston.

Adam Graves and Stephane Matteau scored in a 19-second span in the third period to lead the Rangers to a 5-2 victory over the Washington Capitals in the series that resumes in Landover, Maryland, on Thursday night.

Sweeney was robbed by goaltender Martin Brodeur in the opening minutes of overtime, but he converted a great setup by Adam Oates for the game-winner. It came just seconds after Boston goalie Jon Casey stopped Bill Guerin on a 2-on-1 with the teams skating 4-on-4.

The Bruins had come within 3.5 seconds of winning in regulation, but New Jersey forced the overtime on a goal by defenseman Bruce Driver, who capitalized on a mistake by defenseman Al Iafate of the Bruins.

Stephen Heinze had just Boston ahead, 5-4, with 6:05 to play, just over two minutes after Ted Donato tied the score with a power-play goal from in close.

The Rangers broke open a close game by the rapid-fire goals by Graves at 10:47 and Matteau at 11:06 of the final period to win their club-record sixth straight playoff game.

The Rangers had previously won five straight playoff games in 1972 and 1990, the last year they won the Stanley Cup.

Esa Tikkanen gave the Rangers a 3-2 lead at 10:44. With a penalty delayed because the Rangers had the puck, Pat Richter left his net so his team could add an extra attacker. It turned out to be Tikkanen, who jumped over the boards and joined the sustained action in the Washington end.

The Rangers, who have outscored the opposition 32-8 in their first six playoff games, didn't shake off the Capitals until their third-period burst.

STANLEY CUP

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New Roland Garros Set for French Open

The Associated Press

PARIS — The Roland Garros tennis complex unveiled Wednesday by the city's mayor, Jacques Chirac, will have a dramatic new look, and a new court, for this month's French Open.

Chirac, in describing the new 10,000-seat stadium court, practice areas and ultramodern multipurpose gym, called it "a sports center worthy of the world's best athletes."

Those familiar with the old Roland Garros and its sleepy but elegant ambience will hardly recognize the new one.

The elliptical new stadium — a high-tech design of gray concrete, glass and steel that will be known as Court A — replaces the 4,000-seat Court 1 as the second-ranked showcase behind the 16,500-seat Centre Court.

Several outside courts have been replaced by the new stadium, with walkways widened and trees planted to provide shade for the 27,000 visitors expected daily.

A parking garage for nearly 600 vehicles has been built under the new stadium, along with seven training courts, the indoor gymnasium and a players' lounge.

The 6.5-acre extension was completed in a record 14 months, despite delays caused by local residents opposed to the project.

Eric Debickler, a coach affiliated with the French Tennis Federation, said Court A played much like Centre Court, but needed a few weeks to "break in" and become "faster."

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SIDELINES

100-Meter Showdown in Russia

ST. PETERSBURG (AP) — British sprinter Linford Christie, already the reigning Olympic world, European and Commonwealth 100-meter champion, said Wednesday he will try to add the Goodwill Games title to the list this summer.

Christie, 34, said he will compete in the July 23-Aug. 7 Games in St. Petersburg in which American rivals Carl Lewis and Andre Cason have already confirmed their participation.

"There's always something very special about my races against Carl and Andre," Christie said. "I know that they will be at their best. So will I."

For the Record

Angel Camargo of Colombia won Wednesday's mountainous 10th stage of the Tour of Spain while Tony Rominger of Switzerland finished second, 23 seconds back, to easily retain his overall lead of more than four minutes.

Gabriela Sabatini, seeking to end a two-year run without a victory, was beaten, 6-4, 6-3, by unheralded Romanian Irina Spirlea in an error-strewn performance at the Italian Open — where she got her last title, in 1992. (Reuters)

Hiroshi Kawashima of Japan floored champion Jose Luis Baeza of Mexico in the 11th round in Yokohama to win the WBC junior bantamweight title by unanimous decision. (AP)

Yoko, a broken man having dropped it from first to last place in the Whitbread "Round the World Race, finally crossed the 500-mile finish line in Fort Lauderdale, Florida.

Rodney Peete, a part-time starter at quarterback for Detroit for the past four years, signed a one-year contract with the Dallas Cowboys. (AP)

Shawn Eckardt, Shane Stant and Derrick Smith, the last three charged with attacking figure skater Nancy Kerrigan, have reached plea agreements that will send them to prison for 18 months, according to sources. That would mean that none of the defendants will stand trial. (AP)

Quotable

Mike Brown, general manager of the Cincinnati Bengals, on reports that the team's practice field is contaminated with lead and other noxious materials: "It's not a safety risk unless you are on the property, and only then if you are down on the ground and eat a yard and a half of soil."

Tom FitzGerald of the San Francisco Chronicle: "Well, the average Bengal lineman eats that much dirt before noon."

INTERNATIONAL CLASSIFIED

ART BUCHWALD

A French Welcome

PARIS — I have come to Paris to see the chestnuts in bloom. There is a knock on the door. A beautiful Frenchwoman in a Chanel suit and a pillbox hat is standing there. "I wish to take you to Taillevent, one of the greatest restaurants in the world."

"But I don't have a reservation," I say.

"You are an American. You don't need a reservation. We have not forgotten what you did for us in the French Revolution."

I put on my jacket and follow her downstairs where her stoupe-up Peugeot is waiting.

"Like most French people she doesn't drive too fast or too slow."

"Are you sure you have the right person?" I ask her.

"You are from the United States and that's all that counts," she responds. "We French will never be able to make it up to Americans for giving us airbags."

We arrive at Taillevent, where there is only one parking place. A Frenchman is backing into it when

my escort explains to the driver that I am an American who saved the French franc from going down with the Russian ruble.

He gladly gives up his spot.

The owner of Taillevent and his entire staff are waiting for me. I am ushered to a table where the sommelier suggests that I have a glass of Dom Perignon champagne from the same bottle as Elie Rothchild, who is sitting at the next table.

□

I order a simple meal—a dainty cream of cauliflower soup on which are floating truffles and tiny hearts of goose liver. This is followed by baby lamb cooked in an alligator Hermès handbag, followed by a soufflé prepared with unborn strawberries from Provence.

As I am eating, the sommelier brings over a bottle of Château Latour 1949 and says, "This is with the compliments of President Mitterrand. He wants you to know that he has not forgotten how the Americans saved Christian Dior from going Communist in 1948."

I say, "It was the right thing to do."

My guide says, "Don't look now but Catherine Deneuve is coming over to the table."

"But I'm eating," I protest.

Catherine stops by and grinds pepper on my lamb. She looks at me with her gorgeous eyes. "We will always remember that it was the Americans who gave us our own Disneyland."

"If we hadn't, the British would have."

□

My guide says, "Things might be getting complicated. Here is a note from Jeanne Moreau. She heard that you were in town and wanted to give you a party at the Louvre. It will be the ceremony where you

will be presented with the Legion of Honor for giving France a free Barbra Streisand concert."

The check comes and written across the top is: "With the compliments of the director and everyone else in Paris."

I can't believe any of it. Just then the phone rings in my room and the operator says, "It's 8 o'clock. This is your wake-up call."

I say to her, "Was I dreaming?"

She replies, "I don't know, monsieur. You'll have to ask the concierge."

Australia Festival Planned for U.S.

WASHINGTON Post Service

WASHINGTON — The John F. Kennedy Center for the Performing Arts and the Australian government have teamed up to present a festival of Australian culture in October.

The Australian showcase will feature performing artists such as the actress Zoe Caldwell, the pianist Michael Kieran Harvey and the Aboriginal rock group Yothu Yindi. The festival will take place Oct. 16, 16, 17 and 18 at the Kennedy Center.

The festival will be open House Australia, a free community arts celebration.

James D. Wolfensohn, the Kennedy center's chairman, said the festival's budget would be \$1.5 million to \$2 million, with the Australian government contributing "a very large, large proportion."

A World of Diplomacy in Arab Museums

By John Rockwell

New York Times Service

AMMAN, Jordan — The world of diplomacy is suffused with genteel language that hides, just beneath the surface, roiling passions.

Especially, it would seem, in the Arab world, where the passions sometimes break defiantly through the surface. But if one knows the context, one can discover impassioned meanings in even the politest of formulations.

Or so it seemed last week, when some 80 museum directors and related government officials from 18 Arab countries gathered for the first nearly comprehensive conference of the Arab Museum World.

Kuwait and Saudi Arabia hosted the proceedings, presumably on political grounds. The conference—organized by the International Council of Museums, a 10,000-member, 130-country organization founded in the United States and based in Paris—was entitled "Museums, Civilization and Development."

Technically private, the council operates out of Unesco headquarters and partakes of diplomatic as well as museological manners.

In the Arab world, even just now by fundamentalist haired and confronted with a potential calving of tension, with Israel, the exact nature of "civilization" and "development"—what those terms embrace, what they exclude and whose values (Arab? Islamic? Western? universal?) they can be said to represent—remains intensely controversial.

Malika Bouabdellah, the director of the National Museum of Fine Arts in Algeria, described the conference's background most succinctly in a paper submitted before the sessions began.

"The economic, political, moral and spiritual crisis that we are living through is pulverizing our standards of values and our very beings," she wrote. "We despair and tear ourselves apart. We regress in believing that we are realizing our hopes, we impoverish ourselves, we lose track of our roots."

Bouabdellah named no specific source for the crisis she described. But given Algeria's tormented past, not least the loss of the Algerian delegates, had either been threatened with death by fundamentalists or had their museums physically attacked—her meaning was clear enough, and formed the most imposing of the conference's several powerful subtexts.

On the surface, the conference proceeded in a smooth and orderly manner. Apart from a visit to the archaeological site of Petra, one of whose 2,000-year-old sandstone facades served as a set in "Indiana Jones and the Last Crusade," the five-day event was devoted to public ses-



Members of the International Council of Museums touring Petra, in Jordan.

sions and workshops concerned with matters of intense practical importance: the training of curators and restorers, the management of museums, the standardization of terminology, the development of computer software and the compilation of personal directories and registers of stolen artworks. There was also a call to form an Arab regional museum organization.

But the underlying agenda was more interesting than the official agenda. Any such conference—the council's first in the Third World took place in Africa in 1991 and another may be in the works for Asia—is meant to forge personal bonds that lead to regional cooperation.

Here, however, some of the issues were too sensitive for formal expression, and

found more frank and heated expression privately.

The Palestinian delegation, for instance, was determined to include in the formal recommendations a stiff demand that Unesco and the council be more active in the recovery of lost Palestinian cultural artifacts.

Mouyad Mohamed Said Damerji, the Iraqi director-general of antiquities, aggressively sought language demanding international help in restoring artworks looted during the Gulf War.

"The language of Unesco is very bland; it has no taste," he grumbled.

But the most troubling concern, always implicit and sometimes explicit, was about the impact of Islamic fundamentalism.

This is a tricky issue, because Arabs are convinced that Westerners stereotype them. Unless they are directly subjected to death threats, they are unwilling to seek outside assistance or even comment about their problems. Indeed, when they have been threatened, they may be even more shy.

"If there's a feud going on, it's a family feud," said Krishna Davies, an American who directs the Ford Foundation regional office in Cairo and who channeled \$125,000 of Ford money to the Amman conference.

If the Arabs are suspicious of the West, they had ample reason to be suspicious here, since a healthy portion of the budget (along with contributions from the Jordanian government, the Ford Foundation and Unesco) came from such Western institutions as the Rockefeller Foundation, the J. Paul Getty Trust, the French Foreign Ministry and the British Council.

The most outspoken of the delegates was Aicha ben Abed ben Khader, a curator and former director of the Bardo Museum, Tunisia's oldest and largest, who wrote in her paper of the "horror of the extremists that seizes us daily."

These "fingers of hatred," she added, purveyed "demagoguery, pure and simple," which seeks to "obliterate civilizations preceding the Islamic conquest."

She said, "The role of museums can be basic for not only presenting diverse civilizations, but also for introducing to the public an idea of tolerance and a respect for differences."

One of her projects is a traveling exhibition illustrating the diversity of Arab cultures before Islam.

Her ideas found a place in the final recommendations of the "research, ethics and legislation" workshop, which call for museums to be "a privileged forum of transcultural exchanges" that "should fight against all kinds of extremism and promote tolerance."

PEOPLE

On the Road Again

Stones Set World Tour

Thirty years after their American tour, the Rolling Stones are taking on the United States again. The four members—Mick Jagger, Keith Richards, Ron Wood and Charlie Watts—arrived in New York Monday night. They will play at Madison Square Garden on Tuesday night, then at the PNC Financial Field in Philadelphia on Wednesday night. The tour will continue through the end of the year, with stops in Europe, Asia and Australia.

Amie H. Hill will leave of absence from the University of Oklahoma to write a biography and a book about her husband, a musician and a writer.

Gene Schiavo, author of the 1968 best seller "Young John Kennedy," claims another 200-page book, hundreds of pages of handwritten notes of interviews with the late president, for a lifetime. He said "Nigel Hamilton" was his name in 1990, while he was in the White House. He said he was not a "ghostwriter" but a "collaborator."

Princess Stephanie of Monaco gave birth Wednesday to a girl, Pauline.

A map of the damage wrought by Japanese bombers on Pearl Harbor, prepared by the Navy's top pilot, Commander Admiral Fuchs, was bought by a private collector for \$321,500, at Sotheby's New York.

Britain's "tabloid" press is away from publishing stories about the Princess Diana affair. The agency was reportedly selling £1 million (\$1.5 million) in the rights and £200,000 in the rights. The pictures were taken last weekend in Malaga, Spain.

INTERNATIONAL CLASSIFIED
Appears on Pages 12-13

WEATHER

Forecast for Friday through Sunday, as provided by Accu-Weather.

Europe

	Today	High	Low	Tomorrow	High	Low
Albania	12/17	16/21	20/25	12/18	16/21	20/25
Andorra	12/17	16/21	20/25	12/18	16/21	20/25
Austria	12/17	16/21	20/25	12/18	16/21	20/25
Belarus	12/17	16/21	20/25	12/18	16/21	20/25
Belgium	12/17	16/21	20/25	12/18	16/21	20/25
Bulgaria	12/17	16/21	20/25	12/18	16/21	20/25
Croatia	12/17	16/21	20/25	12/18	16/21	20/25
Czech Rep.	12/17	16/21	20/25	12/18	16/21	20/25
Denmark	12/17	16/21	20/25	12/18	16/21	20/25
Estonia	12/17	16/21	20/25	12/18	16/21	20/25
Finland	12/17	16/21	20/25	12/18	16/21	20/25
France	12/17	16/21	20/25	12/18	16/21	20/25
Germany	12/17	16/21	20/25	12/18	16/21	20/25
Greece	12/17	16/21	20/25	12/18	16/21	20/25
Hungary	12/17	16/21	20/25	12/18	16/21	20/25
Ireland	12/17	16/21	20/25	12/18	16/21	20/25
Italy	12/17	16/21	20/25	12/18	16/21	20/25
Latvia	12/17	16/21	20/25	12/18	16/21	20/25
Lithuania	12/17	16/21	20/25	12/18	16/21	20/25
Malta	12/17	16/21	20/25	12/18	16/21	20/25
Netherlands	12/17	16/21	20/25	12/18	16/21	20/25
Norway	12/17	16/21	20/25	12/18	16/21	20/25
Poland	12/17	16/21	20/25	12/18	16/21	20/25
Portugal	12/17	16/21	20/25	12/18	16/21	20/25
Romania	12/17	16/21	20/25	12/18	16/21	20/25
Russia	12/17	16/21	20/25	12/18	16/21	20/25
Slovakia	12/17	16/21	20/25	12/18	16/21	20/25
Slovenia	12/17	16/21	20/25	12/18	16/21	20/25
Spain	12/17	16/21	20/25	12/18	16/21	20/25
Sweden	12/17	16/21	20/25	12/18	16/21	20/25
Switzerland	12/17	16/21	20/25	12/18	16/21	20/25
Turkey	12/17	16/21	20/25	12/18	16/21	20/25
Ukraine	12/17	16/21	20/25	12/18	16/21	20/25
United Kingdom	12/17	16/21	20/25	12/18	16/21	20/25
USA	12/17	16/21	20/25	12/18	16/21	20/25

North America

	Today	High	Low	Tomorrow	High	Low
Alaska	12/17	16/21	20/25	12/18	16/21	20/25
Arizona	12/17	16/21	20/25	12/18	16/21	20/25
Arkansas	12/17	16/21	20/25	12/18	16/21	20/25
California	12/17	16/21	20/25	12/18	16/21	20/25
Colorado	12/17	16/21	20/25	12/18	16/21	20/25
Connecticut	12/17	16/21	20/25	12/18	16/21	20/25
Delaware	12/17	16/21	20/25	12/18	16/21	20/25
District of Columbia	12/17	16/21	20/25	12/18	16/21	20/25
Florida	12/17	16/21	20/25	12/18	16/21	20/25
Georgia	12/17	16/21	20/25	12/18	16/21	20/25
Hawaii	12/17	16/21	20/25	12/18	16/21	20/25
Idaho	12/17	16/21	20/25	12/18	16/21	20/25
Illinois	12/17	16/21	20/25	12/18	16/21	20/25
Indiana	12/17	16/21	20/25	12/18	16/21	20/25
Iowa	12/17	16/21	20/25	12/18	16/21	20/25
Kansas	12/17	16/21	20/25	12/18	16/21	20/25
Kentucky	12/17	16/21	20/25	12/18	16/21	20/25
Louisiana	12/17	16/21	20/25	12/18	16/21	20/25
Maine	12/17	16/21	20/25	12/18	16/21	20/25
Maryland	12/17	16/21	20/25	12/18	16/21	20/25
Massachusetts	12/17	16/21	20/25	12/18	16/21	20/25
Michigan	12/17	16/21	20/25	12/18	16/21	20/25
Minnesota	12/17	16/21	20/25	12/18	16/21	20/25
Mississippi	12/17	16/21	20/25	12/18	16/21	20/25
Missouri	12/17	16/21	20/25	12/18	16/21	20/25
Montana	12/17	16/21	20/25	12/18	16/21	20/25
Nebraska	12/17	16/21	20/25	12/18	16/21	20/25
Nevada	12/17	16/21	20/25	12/18	16/21	20/25
New Hampshire	12/17	16/21	20/25	12/18	16/21	20/25
New Jersey	12/17	16/21	20/25	12/18	16/21	20/25
New Mexico	12/17	16/21	20/25	12/18	16/21	20/25
New York	12/17	16/21	20/25	12/18	16/21	20/25
North Carolina	12/17	16/21	20/25	12/18	16/21	20/25
North Dakota	12/17	16/21	20/25	12/18	16/21	20/25
Ohio	12/17	16/21	20/25	12/18	16/21	20/25
Oklahoma	12/17	16/21	20/25	12/18	16/21	20/25
Oregon	12/17	16/21	20/25	12/18	16/21	20/25
Pennsylvania	12/17	16/21	20/25	12/18	16/21	20/25
Rhode Island	12/17	16/21	20/25	12/18	16/21	20/25
South Carolina	12/17	16/21	20/25	12/18	16/21	20/25
South Dakota	12/17	16/21	20/25	12/18	16/21	20/25
Tennessee	12/17	16/21	20/25	12/18	16/21	20/25
Texas	12/17	16/21	20/25	12/18	16/21	20/25
Utah	12/17	16/21	20/25	12/18	16/21	20/25
Vermont	12/17	16/21	20/25	12/18	16/21	20/25
Virginia	12/17	16/21	20/25	12/18	16/21	20/25
Washington	12/17	16/21	20/25	12/18	16/21	20/25
West Virginia	12/17	16/21	20/25	12/18	16/21	20/25
Wisconsin	12/17	16/21	20/25	12/18	16/21	20/25
Wyoming	12/17	16/21	20/25	12/18	16/21	20/25

Asia

	Today		Tomorrow	
	High	Low	High	Low
Albania	20/26	23/31	21/27	24/29
Andorra	20/26	23/31	21/27	24/29
Austria	20/26	23/31	21/27	24/29
Belarus	20/26	23/31	21/27	24/29
Belgium	20/26	23/31	21/27	24/29
Bulgaria	20/26	23/31	21/27	24/29
Croatia	20/26	23/31	21/27	24/29
Czech Rep.	20/26	23/31	21/27	24/29
Denmark	20/26	23/31	21/27	24/29
Estonia	20/26	23/31	21/27	24/29
Finland	20/26	23/31	21/27	24/29
France	20/26	23/31	21/27	24/29
Germany	20/26	23/31	21/27	24/29
Greece	20/26	23/31	21/27	24/29
Hungary	20/26	23/31	21/27	24/29
Iceland	20/26	23/31	21/27	24/29
Ireland	20/26	23/31	21/27	24/29
Italy	20/26	23/31	21/27	24/29
Japan	20/26	23/31	21/27	24/29
Korea	20/26	23/31	21/27	24/29
Latvia	20/26	23/31	21/27	24/29
Lithuania	20/26	23/31	21/27	24/29
Luxembourg	20/26	23/31	21/27	24/29
Malta	20/26	23/31	21/27	24/29
Netherlands	20/26	23/31	21/27	24/29
Norway	20/26	23/31	21/27	24/29
Poland	20/26	23/31	21/27	24/29
Portugal	20/26	23/31	21/27	24/29
Romania	20/26	23/31	21/27	24/29
Russia	20/26	23/31	21/27	24/29
Slovakia	20/26	23/31	21/27	24/29
Slovenia	20/26	23/31	21/27	24/29
Spain	20/26	23/31	21/27	24/29
Sweden	20/26	23/31	21/27	24/29
Switzerland	20/26	23/31	21/27	24/29
Taiwan	20/26	23/31	21/27	24/29
Tanzania	20/26	23/31	21/27	24/29
Turkey	20/26	23/31	21/27	24/29
Ukraine	20/26	23/31	21/27	24/29
United Kingdom	20/26	23/31	21/27	24/29
USA	20/26	23/31	21/27	24/29
Vietnam	20/26	23/31	21/27	24/29
Yugoslavia	20/26	23/31	21/27	24/29